

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **May 19, 2010**

FORMFACTOR, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-50307

(Commission File Number)

13-371155

(IRS Employer Identification No.)

7005 Southfront Road, Livermore, CA

(Address of principal executive offices)

94551

(Zip Code)

(925) 290-4000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

Resignation of Chief Executive Officer

On May 19, 2010, Dr. Mario Ruscev informed the Board of Directors (the "Board") of FormFactor, Inc. ("FormFactor") of his resignation as Chief Executive Officer of FormFactor and as a member of the Board, both effective immediately.

Appointment of Chief Executive Officer

The Board appointed G. Carl Everett, Jr., a member of the Board since June 2001, to serve as the Chief Executive Officer of FormFactor, effective May 19, 2010.

In connection with his appointment as Chief Executive Officer, FormFactor and Mr. Everett entered into an Employment Letter Agreement dated May 19, 2010 (the "Everett Employment Agreement"). Subject to the terms and conditions contained therein, Mr. Everett will receive an annual base salary of \$480,000 and is eligible to receive a bonus under FormFactor's Employee Incentive Plan at a target rate of 100% of annual base salary with the opportunity to earn 200% of annual base salary based on extraordinary achievement of objectives. Additionally, Mr. Everett shall be eligible to receive a non-qualified stock option grant to purchase 50,000 shares of FormFactor common stock and an award of 20,000 restricted stock units, subject to the terms and conditions of FormFactor's 2002 Equity Incentive Plan (the "2002 Equity Plan"). Subject to his continued service as Chief Executive Officer or as a member of the Board, the non-qualified stock options shall vest monthly in equal installments over a 2-year period and the restricted stock units shall vest annually in equal installments over a 2-year period. Should Mr. Everett's service as Chief Executive Officer be terminated without "cause" (as defined in the 2002 Equity Plan) within 1 year following a "corporate transaction" (as defined in the 2002 Equity Plan), the vesting of each stock option and restricted stock unit shall be accelerated in full and Mr. Everett shall have 1 year following his termination to exercise any vested and unexpired outstanding stock options. Mr. Everett shall be reimbursed for reasonable travel, meals and lodging expenses. During his service as Chief Executive Officer, Mr. Everett will retain his current Board membership but he has resigned from the Board's Audit and Compensation Committees. Mr. Everett will remain the chairperson of the M&A Committee and continue to receive all cash and equity Board and M&A committee chairperson compensation.

The foregoing description of the Everett Employment Agreement is qualified in its entirety by the copy thereof filed as Exhibit 10.1 to this Current Report on Form 8-K, which exhibit is incorporated herein by reference.

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Resignation of Chief Financial Officer

On May 19, 2010, Jean Bernard Vernet informed the Board of his resignation as Chief Financial Officer of FormFactor, effective immediately.

Appointment of Chief Financial Officer

The Board appointed Richard DeLateur as Chief Financial Officer of FormFactor, effective as of May 19, 2010.

Mr. DeLateur, 52, served in various capacities at Intel Corporation from July 1980 to June 2000, including as Vice President of the New Business Group, General Manager of New Business Investments, Vice President of Intel Capital, Vice President, Finance and Group Controller of Intel Architecture and Vice President, Finance and Group Controller for Intel's worldwide Technology Development and Manufacturing Group. He was also Chief Financial Officer of Topspin Communications, a private communications equipment company, from December 2004 until June 2005 when the company was sold to Cisco Systems, Inc., and of Fluidigm Corporation, a private biotech company, from December 2005 to May 2008. Mr. DeLateur served as a Director at Numonyx Corporation, a privately held leading manufacturer of flash memory, from August 2008 until its acquisition by Micron Technology, Inc. in May 2010. He was also Chairman of the audit committee at Numonyx.

In connection with his appointment as Chief Financial Officer, FormFactor and Mr. DeLateur entered into an Employment Letter Agreement dated May 19, 2010 (the "DeLateur Employment Agreement"). Subject to the terms and conditions contained therein, Mr. DeLateur will receive an annual base salary of \$355,000 and is eligible to receive a bonus under FormFactor's Employee Incentive Plan at a target rate of 80% of annual base salary with the opportunity to earn 200% of annual base salary based on extraordinary achievement of objectives. Mr. DeLateur will also receive an equity award equal to \$1,200,000 under FormFactor's 2002 Equity Incentive Plan which shall consist of 50% stock options and 50% restricted stock units. The stock options shall vest monthly in equal installments over a 2-year period and the restricted stock units shall vest annually in equal installments over a 2-year period.

Mr. DeLateur's Employment Letter Agreement also provides that if his employment is terminated by FormFactor without "cause" or by him for "good reason" (as these terms are defined in his Employment Letter Agreement), he will receive a lump sum severance payment equal to 1 year of his then annual base salary, a pro-rata portion of his annual target bonus based upon the calendar days of his employment in the year of termination, accelerated vesting and extended exercisability of his granted equity awards for an additional 12 month period, and COBRA continuation coverage for up to 12 months. These separation benefits are subject to Mr. DeLateur's executing a release and waiver of claims in favor of FormFactor.

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FormFactor expects that Mr. DeLateur will also enter into an indemnity agreement and a change of control severance agreement, the terms of which are identical in all material respects to the forms of these agreements that FormFactor has previously entered into with its executive officers.

The foregoing description of the DeLateur Employment Agreement is qualified in its entirety by the copy thereof filed as Exhibit 10.2 to this Current Report on Form 8-K, which exhibit is incorporated herein by reference.

Chairman of the Board Oversight of Management Transition

The Board also requested James A. Prestridge, as the Chairman of the Board, to provide Board oversight of FormFactor's management transition as part of his responsibilities as Chairman. Mr. Prestridge will receive a special fee of \$2,000 per day, plus reimbursement of reasonable travel, meals and lodging expenses, for his services during the transition period, with the total compensation capped at \$120,000.

Appointment to Audit Committee

The Board appointed Lothar Maier, a non-employee member of the Board since November 2006, to the Board's Audit Committee, effective May 19, 2010. The Board has determined that Mr. Maier is independent within the meaning of the rules of the Securities and Exchange Commission and the Nasdaq Global Market, and is able to read and understand fundamental financial statements as contemplated by such rules.

A copy of the press release announcing the resignations of Dr. Ruscev and Mr. Vernet and the appointments of Mr. Everett, Mr. DeLateur and Mr. Prestridge is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Everett Employment Agreement
10.2	DeLateur Employment Agreement
99.1	Press Release

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORMFACTOR, INC.

Dated: May 25, 2010

By: /s/ Stuart L. Merkadeau
Name: Stuart L. Merkadeau
Title: Senior Vice President,
 General Counsel and Secretary

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Everett Employment Agreement
10.2	DeLateur Employment Agreement
99.1	Press Release

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[FormFactor Letterhead]

May 19, 2010

G. Carl Everett, Jr.
[ADDRESS]

Dear Carl,

By this Letter Agreement, we welcome the opportunity to offer you a position with FormFactor, Inc. (the "Company") as the Company's Chief Executive Officer. Your employment shall begin on May 19, 2010 (the "Start Date").

In your capacity as Chief Executive Officer, you will report to the Company's Board of Directors (the "Board"), and you will receive an annual salary of \$480,000, which will be paid bi-weekly in accordance with, and subject to, the Company's normal payroll procedures.

You shall be eligible to participate in the Company's Employee Incentive Plan. Your target bonus is 100% of base salary with the opportunity to earn 200% of base salary based on extraordinary achievement of objectives, which percentages may be changed by the Company from time to time. You will be allowed to participate in the establishment of performance objectives under the Employee Incentive Plan. However, the Compensation Committee of the Board shall retain final discretion on such objectives. Your bonus for the first half of fiscal year 2010, if any, will be prorated based upon your start date through the end of June 2010. Payment for each year's bonus actually earned shall be made to you within forty-five (45) days following the Company's fiscal year end, but in any event no later than the fifteenth day of the third month after the end of the applicable fiscal year.

During your service as the Company's Chief Executive Officer, you shall retain your current Board membership and chairperson duties on the Board's M&A Committee, but you agree to resign from the Board's Audit and Compensation committees effective upon the Start Date. You shall continue to receive all cash and equity Board member and active Board Committee compensation.

During your service as Chief Executive Officer, the Company shall reimburse you for all reasonable travel, meals and lodging expenses during your service as Chief Executive Officer. The Company shall promptly reimburse you for such expenses upon presentation of appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

As long as you remain as the Company's Chief Executive Officer, you are eligible to receive certain employee benefits that are offered to our regular full-time employees, which may from time to time change at the Company's discretion. These currently include:

- Medical, Dental and Vision Insurance Benefits
- Short-Term and Long-Term Disability Insurance Coverage
- Group Life Insurance
- Paid Time-Off
- 401k Plan
- Section 125 Flex Spending Plan
- Employee Assistance Program
- Employee Stock Purchase Plan

Coverage for the above-mentioned medical, dental, vision, disability and life insurance benefits begin on your Start Date, if elected. Dependent coverage is also available through these plans. Employee and dependent contributions to the plans are outlined in our employee benefits guide. Further, you and, to the extent applicable, your dependents, will be allowed to participate in all benefits, plans and programs, including improvements or modifications thereof, that are now, or may hereafter be, offered to other executive employees of the Company. You will be entitled to 15 days of paid vacation annually.

On the Start Date, the Compensation Committee of the Board shall grant to you, pursuant to the Company's 2002 Equity Incentive Plan, as amended, (the "2002 Plan") an equity award equal 50,000 nonqualified stock options ("NSOs") and 20,000 restricted stock units ("RSUs"). The per share exercise price of the NSOs shall be equal to the fair market value of a share of Company common stock on the date of grant which will be awarded in compliance with the Company's standard policy for new hires. The NSOs shall vest in equal monthly installments over a two (2) year period subject to your continued service as Chief Executive Officer or a Board member. The RSUs shall vest in equal annual installments over a two (2) year period subject to your continued service as Chief Executive Officer or a Board member. If your service as Chief Executive Officer is terminated without Cause (as that term is defined in the 2002 Plan) within one (1) year following a Corporate Transaction (as that term is defined in the 2002 Plan), the vesting of each NSO and RSU shall be automatically accelerated in full and you shall have one (1) year following your termination to exercise any vested and unexpired outstanding NSOs. The other terms and conditions of the NSOs and RSUs shall be subject to the Company's standard forms utilized under the 2002 Equity Incentive Plan.

You should be aware that your employment with the Company is for no specified period and constitutes at will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time and for any reason, subject to the terms of this Letter Agreement.

Notwithstanding anything contained in this Letter Agreement to the contrary, to the extent that the payments and benefits provided under this Letter Agreement and benefits provided to, or for the benefit of, you under any other employer plan or agreement (such payments or benefits are collectively

referred to as the "Benefits") would be subject to the excise tax (the "Excise Tax") imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Benefits shall be reduced (but not below zero) if and to the extent that a reduction in the Benefits would result in you retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax), than if you received all of the Benefits (such reduced amount is hereinafter referred to as the "Limited Benefit Amount"). Unless you shall have given prior written notice specifying a different order to the Company to effectuate the Limited Benefit Amount, the Company shall reduce or eliminate the Benefits, by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the "Determination" (as hereinafter defined). Any notice given by the Employee pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing your's rights and entitlements to any benefits or compensation.

A determination as to whether the Benefits shall be reduced to the Limited Benefit Amount pursuant to this Letter Agreement and the amount of such Limited Benefit Amount shall be made by the Company's independent public accountants or another certified public accounting firm of national reputation designated by the Company (the "Accounting Firm") at the Company's expense. The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and Employee within five (5) days of the date of termination of Employee's employment, if applicable, or such other time as requested by the Company or by you (provided you reasonably believe that any of the Benefits may be subject to the Excise Tax) and if the Accounting Firm determines that no Excise Tax is payable by you with respect to any Benefits, it shall furnish you with an opinion reasonably acceptable to you that no Excise Tax will be imposed with respect to any such Benefits. Within ten (10) days of the delivery of the Determination to the you, you shall have the right to dispute the Determination (the "Dispute"). If there is no Dispute, the Determination shall be binding, final and conclusive upon the Company and you.

I have enclosed our standard Agreement Regarding Employment, Confidential Information, Invention Assignment, and Arbitration as a condition of your employment. If you accept this offer, please return a signed copy to me prior to your Start Date. That Agreement requires, among other things, that in the event of any dispute or claim relating

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to or arising out of our employment relationship, you and the Company agree that all such disputes shall be fully and finally resolved by final and binding arbitration conducted by the American Arbitration Association in Alameda County, California. However, the Company and you shall continue to have the right to seek judicial relief in the form of injunctive and/or equitable relief, including but not limited to relief for threatened or actual misappropriation of trade secrets or other unfair competition.

Additionally, you will be required to comply at all times with the Company's various rules, policies and procedures, including those set forth in our Employee Handbook, our Statement of Corporate Code of Business Conduct ("Corporate Code"), and our Statement of Policy regarding Insider Trading ("Insider Trading Policy"). Copies of these three documents, and all our policies and procedures will be available in hard copy and on inForm - our internal intranet site. Within thirty (30) days of the Start Date, you will be required to provide the Company with signed acknowledgements relating to the Employee Handbook, the Corporate Code and the Insider Trading Policy. You should understand that, while referenced in this Letter Agreement, the Company rules, policies and procedures are not incorporated by reference into this Letter Agreement, and they can be changed, replaced or withdrawn at any time at the discretion of the Company upon notice to you.

To indicate your acceptance of the Company's offer, please sign and date this Letter Agreement in the space provided below and return it to me. A duplicate original is enclosed for your records. This Letter Agreement, along with the agreement relating to proprietary rights between you and the Company, set forth the terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This Letter Agreement may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

Carl, we look forward to your favorable reply and to a productive and exciting working relationship.

Sincerely,
FormFactor, Inc.

/s/ James A Prestridge

James A. Prestridge
Chairman of the Board of Directors

ACCEPTED AND AGREED TO this 19th day of May, 2010

/s/ G. Carl Everett, Jr.

G. Carl Everett, Jr.

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[FormFactor Letterhead]

May 19, 2010

Richard DeLateur
[ADDRESS]

Dear Rich,

By this Letter Agreement, we welcome the opportunity to offer you a salaried, exempt position with FormFactor, Inc. (the "Company") as the Company's Chief Financial Officer. Your employment shall begin on May 19, 2010 (the "Start Date").

In your capacity as Chief Financial Officer, you will report to the Company's Chief Executive Officer and Board of Directors (the "Board"), and you will receive an annual salary of \$355,000, which will be paid bi-weekly in accordance with, and subject to, the Company's normal payroll procedures. The annual compensation specified in this paragraph, together with any increases in such compensation that the Company may grant from time to time, is referred to in this Letter Agreement as "Base Compensation." Your primary work place shall be at the Company's corporate headquarters in Livermore, California.

You shall be eligible to participate in the Company's Employee Incentive Plan. Your target bonus is 80% of base salary with the opportunity to earn 200% of base salary based on extraordinary achievement of objectives, which percentages may be changed by the Company from time to time. You will be allowed to participate in the establishment of performance objectives under the Employee Incentive Plan. However, the Company shall retain final discretion on such objectives. Your bonus for the first half of fiscal year 2010, if any, will be prorated based upon your start date through the end of June 2010. Payment for each year's bonus actually earned shall be made to you within forty-five (45) days following the Company's fiscal year end, but in any event no later than the fifteenth day of the third month after the end of the applicable fiscal year.

During your employment, you shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with your duties hereunder. The Company shall promptly reimburse you for such expenses upon presentation of appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

As long as you remain a regular full-time employee of the Company, you are eligible to receive certain employee benefits that are offered to our regular full-time employees, which may from time to time change at the Company's discretion. These currently include:

- Medical, Dental and Vision Insurance Benefits
- Short-Term and Long-Term Disability Insurance Coverage

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- Group Life Insurance
 - Paid Time-Off
 - 401k Plan
 - Section 125 Flex Spending Plan
 - Employee Assistance Program
 - Employee Stock Purchase Plan

Coverage for the above-mentioned medical, dental, vision, disability and life insurance benefits begin on your Start Date. Dependent coverage is also available through these plans. Employee and dependent contributions to the plans are outlined in our employee benefits guide. Further, you and, to the extent applicable, your dependents, will be allowed to participate in all benefits, plans and programs, including improvements or modifications thereof, that are now, or may hereafter be, offered to other executive employees of the Company. You will be entitled to 15 days of paid vacation annually.

On the Start Date, the Compensation Committee of the Board shall grant to you, pursuant to the Company's 2002 Equity Incentive Plan, as amended, an equity award equal to \$1,200,000. This equity award shall be granted in 50% nonqualified stock options ("NSOs") and 50% restricted stock units ("RSUs"). The number of NSOs and RSUs shall be determined by first determining the number of NSOs equal to \$1,200,000 utilizing a Black-Scholes value on the date of grant and utilizing a ratio of 2.5 NSOs to 1 RSU. For example, assuming a stock price of \$14.00 and a Black-Scholes value of \$6.3081 on the date of grant, you would be entitled to a grant of 95,116 NSOs and 38,046 RSUs ($\$1,200,000 / \$6.3081 = 190,232 / 2 = 95,116$ NSOs and $95,116 / 2.5 = 38,046$ RSUs). The per share exercise price of the NSOs shall be equal to the fair market value of a share of Company common stock on the date of grant which will be awarded in compliance with the Company's standard policy for new hires. The NSOs shall vest monthly in equal installments over a two (2) year period subject to your continued employment with the Company. The RSUs shall vest annually in equal installments over a two (2) year period subject to your continued employment with the Company. The other terms and conditions of the NSOs and RSUs shall be subject to the Company's standard forms utilized under the 2002 Equity Incentive Plan. You will be eligible for subsequent annual equity grants at such times and in such amounts as determined by the Compensation Committee of the Board in its sole discretion.

You should be aware that your employment with the Company is for no specified period and constitutes at will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time and for any reason, subject to the terms of this Letter Agreement.

If there is an Involuntary Termination (as defined below) of your employment with the Company, subject to your execution, delivery and non-revocation of the release substantially in the form of Exhibit A (the "Release") within forty-five (45) days from your "separation from service" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")), the Company shall pay you cash in an amount equal to one (1) times your then annual Base Compensation. In addition, you shall receive a cash payment equal to a pro-rata portion of the annual bonus for the fiscal year of your termination of employment, with the pro-rata amount based on your then annual Base Compensation, your then target bonus percentage and the number of calendar days that you were an employee during such fiscal year divided by 365. Subject to the terms of the Release, all amounts payable under this paragraph shall be made in a single lump sum payment to you within sixty (60) days after your separation from service. You shall also receive the benefits provided in the paragraphs below, if applicable, and all such payments and benefits shall not be subject to mitigation or offset (except as specified below).

If you are entitled to receive the payments above, and if you elect to continue your (and your dependents) health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") following your separation from service, then the Company shall pay your monthly premium under COBRA until the earliest of (i) twelve (12) months after your separation from service date, (ii) the expiration of your continuation coverage under COBRA or (iii) the date when you commence receiving substantially equivalent health insurance coverage in connection with new employment or other source.

If you are entitled to receive the payments above, then you will become immediately vested in an additional number of shares of Company common stock under all of your outstanding compensatory equity as if you had continued in employment for twelve (12) additional months following your separation from service. Further, you will have twelve (12) months following your separation from service to exercise any vested stock options not to exceed the expiration date of such options.

In the event that the Company determines that any of the benefits payable hereunder would violate Section 409A of the Code ("Section 409A"), then the Company and you shall agree to implement adjustments needed to comply with Section 409A (to the minimum extent necessary to avoid the imposition of any excise taxes and without reducing the absolute value of such benefits); provided, however, that if the payment of any amount or benefit hereunder would be subject to additional taxes and interest under Section 409A because the timing of such payment is not delayed as provided in Section 409A(a)(2)(B) (i) and the regulations thereunder, then any such payment or benefit that you would otherwise be entitled to during the first six (6) months following the date of your severance from service shall be accumulated and paid or provided, as applicable, on the date that is six (6) months after the date of your termination of employment (or if such date does not fall on a business day of Company, the next following business day of Company), or such earlier date upon which such amount can

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be paid or provided under Section 409A without being subject to such additional taxes and interest. If the provisions of the preceding sentence become applicable such that the payment of any amount is delayed, any payments that are so delayed shall accrue interest on a non-compounded basis, from the date of your severance from service to the actual date of payment, at the prime or base rate of interest announced by Wells Fargo & Company (or any successor thereto) at its principal office in San Francisco on the date of such severance (or the first business day following such date if such severance does not occur on a business day) and shall be paid in a lump sum on the actual date of payment of the delayed payment amount. You hereby agree to be bound by Company's determination of its "specified employees" (as such term is defined in Section 409A) in accordance with any of the methods permitted under the regulations issued under Section 409A.

For all purposes under this Letter Agreement, "Cause" shall mean any of the following committed by you:

- (i) Repeated failure to follow the reasonable and lawful directions of the Chief Executive Officer and/or the Board; or
- (ii) Conviction of a felony (or a plea of guilty or nolo contendere by you to a felony); or
- (iii) Acts of fraud, dishonesty or misappropriation committed by you and intended to result in personal enrichment at the expense of the Company; or
- (iv) Willful misconduct by you in the performance of your material duties required by this Letter Agreement which is likely to damage the Company's financial position or reputation; or
- (v) A material breach of this Letter Agreement.

The foregoing is an exclusive list of the acts or omissions that shall be considered "Cause" for the termination of your employment by the Company. With respect to the acts or omissions set forth in clauses (i), (iii), (iv) and (v) above, (x) the Board shall provide you with thirty (30) days advance written notice detailing the basis for the termination of employment for Cause, (y) during the thirty (30) day period after you have received such notice, you shall have an opportunity to cure such alleged Cause events and to present your case to the full Board (with the assistance of your own counsel) before any termination for Cause is finalized by a vote of a majority of the Board and (z) you shall continue to receive the compensation and benefits provided by this Letter Agreement during the thirty (30) day cure period. In addition, no act or failure to act by you shall be treated as willful or intentional for purposes under this Letter Agreement if performed in good faith with the reasonable belief that the action or inaction was in the best interest of the Company.

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For all purposes under this Letter Agreement, "Involuntary Termination" shall mean any of the following:

- (i) termination of your employment by the Company without Cause (including death or permanent disability); or
- (ii) your resignation of employment for Good Reason (as defined below).

For all purposes under this Letter Agreement, "Good Reason" shall mean any of the following that occur without your prior written consent:

- (i) the relocation of your primary work location by the Company by more than fifty (50) miles from your primary work location as specified above; or
- (ii) any material reduction of your Base Compensation and “material” shall mean more than 10%; or
- (iii) any material reduction or diminution of your duties, authority or responsibilities by the Company of your employment; or
- (iv) the Company’s material breach of this Letter Agreement; or
- (v) the failure of any successor of the Company to expressly in writing assume the Company’s obligations under this Letter Agreement at Employee’s written request (except where such assumption occurs by operation of law).

provided, in each case, that you shall have provided the Company with written notice within ninety (90) days of the initial existence of the condition that would be Good Reason and an opportunity to cure such breach during a thirty (30) day period.

The Company will enter in to a change of control agreement with you after you begin employment with the Company. The terms and conditions of such change of control agreement shall be consistent with the change of control agreements entered into with the Company’s other key management personnel.

I have enclosed our standard Agreement Regarding Employment, Confidential Information, Invention Assignment, and Arbitration as a condition of your employment. If you accept this offer, please return a signed copy to me prior to your Start Date. That Agreement requires, among other things, that in the event of any dispute or claim relating to or arising out of our employment relationship, you and the Company agree that all such disputes shall be fully and finally resolved by final and binding arbitration conducted by the American Arbitration Association in Alameda County, California. However, the Company and you shall continue to have the right to seek judicial relief in the form of injunctive and/or equitable relief, including but not limited to relief for threatened or actual misappropriation of trade secrets or other unfair competition.

Additionally, you will be required to comply at all times with the Company’s various rules, policies and procedures, including those set forth in our Employee Handbook, our Statement of Corporate Code of Business Conduct (“Corporate Code”), and our Statement of Policy regarding Insider Trading (“Insider Trading Policy”). Copies of these three documents, and all our policies and procedures will be available in hard copy and on inForm - our internal intranet site. Within thirty (30) days of the Start Date, you will be required to provide the Company with signed acknowledgements relating to the Employee Handbook, the Corporate Code and the Insider Trading Policy. You should understand that, while referenced in this Letter Agreement, the Company rules, policies and procedures are not incorporated by reference into this Letter Agreement, and they can be changed, replaced or withdrawn at any time at the discretion of the Company upon notice to you. Further, the Company will enter into an indemnification agreement with you in substantially the same the form as has been used for other Company directors and/or officers.

To indicate your acceptance of the Company’s offer, please sign and date this Letter Agreement in the space provided below and return it to me. A duplicate original is enclosed for your records. This Letter Agreement, along with the agreement relating to proprietary rights between you and the Company, set forth the terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This Letter Agreement may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

Rich, we look forward to your favorable reply and to a productive and exciting working relationship.

Sincerely,
FormFactor, Inc.

/s/ G. Carl Everett, Jr.

G. Carl Everett, Jr.
Chief Executive Officer

ACCEPTED AND AGREED TO this 19th day of May, 2010

/s/ Richard DeLateur

Richard DeLateur

**Investor Contact:**

Michael Magaro
 Investor Relations
 (925) 290-4321
 ir@formfactor.com

Trade Press Contact:

David Viera
 Corporate Communications
 (925) 290-4681
 dviera@formfactor.com

FormFactor, Inc. Announces Leadership Changes

*~ Company appoints G. Carl Everett Jr. to CEO post; Richard DeLateur to become CFO ~
 ~ New management replaces Dr. Mario Ruscev and Jean Bernard Vernet,
 former CEO and CFO, who resigned ~*

LIVERMORE, Calif. — May 20, 2010 — FormFactor, Inc. (Nasdaq: FORM) today announced that Mario Ruscev, Chief Executive Officer and member of the board of directors, and Jean Bernard Vernet, Senior VP, Chief Financial Officer, have both stepped down from their roles at the Company. These resignations have been accepted by the remaining directors on the board. The Company also announced that its board has appointed G. Carl Everett Jr., 59, current member of the board of directors, to the position of Chief Executive Officer and Richard DeLateur, 52, to the position of Chief Financial Officer. In addition, James A. Prestridge, who serves as the Chairman of the Board, will assist the new management team as part of the board's oversight of the transition process. These changes are effective immediately.

The Company's new management plans to improve business execution, realign operating structure and expenses with current levels of business and focus on achieving profitable growth. In the immediate period ahead, FormFactor's new management team will conduct a comprehensive review and analysis of the Company's growth opportunities.

"We remain committed to improving upon the value proposition of our products by significantly lowering the cost of test for our customers," said Carl Everett, the new Chief Executive Officer of FormFactor. "FormFactor is an important company that delivers clear competitive advantages to semiconductor manufacturers at a critical point in their increasingly complex semiconductor manufacturing process. We plan to build on these advantages to drive continuous technology innovation to better serve our customers and position the company for long-term growth."

"Our next stage of growth, however, requires that the Company return to the basics. This means prioritizing business decisions and actions in a framework of operational excellence that positions FormFactor to extend its core technology leadership, while at the same time growing profitably," concluded Everett.

"Dr. Ruscev has helped navigate FormFactor through a tumultuous period for both the macro economy and semiconductor equipment industry," said James A. Prestridge, Chairman of the Board. "The board thanks Dr. Ruscev and Mr. Vernet for their contributions to the future success of FormFactor and we wish them all the best in their future endeavors."

G. Carl Everett, Jr. is a veteran technology executive and has served as a Director at FormFactor since June 2001. As part of accepting this appointment, Mr. Everett will step down from the Audit and Compensation Committees.

Mr. Everett founded GCE Ventures and has served as a venture partner at Accel LLP. Mr. Everett has held several management positions at Dell and Intel Corporation, one of which was Senior Vice President and General Manager of the Microprocessor Products Group at Intel. Mr. Everett holds a B.A. in business administration and an honorary Doctorate of Laws from New Mexico State University.

Mr. DeLateur, a 20-year veteran of Intel's finance team including six years as Vice President and Group Controller of Worldwide Technology and Manufacturing. Mr. DeLateur more recently served as CFO at the private companies Fluidigm Corporation and Topsin Corporation. He had also served as a Director at Numonyx Corp., a privately-held, leading manufacturer of Flash memory which was recently sold to Micron.

Conference Call:

FormFactor will conduct a conference call at 8:00 a.m. PDT, or 11:00 a.m. EDT, on Thursday, May 20, 2010. The public is invited to listen to a live web cast of FormFactor's conference call on the Investors section of the company's website at www.formfactor.com. The live dial-in conference call number is (877) 303-6910. An audio replay of the conference call will also be made available approximately two hours after the conclusion of the call. The audio replay will remain available until May 22, 2010 at 9:00 p.m. PDT and can be accessed by dialing (800) 642-1687 (domestic) or (706) 645-9291 (international) and entering conference code 77048691.

About FormFactor:

Founded in 1993, FormFactor, Inc. (Nasdaq: FORM) is the leader in advanced wafer probe cards, which are used by semiconductor manufacturers to electrically test integrated circuits, or ICs. The company's wafer sort, burn-in and device performance testing products move IC testing upstream from post-packaging to the wafer level, enabling semiconductor manufacturers to lower their overall production costs, improve yields, and bring next-generation devices to market. FormFactor is headquartered in Livermore, California with operations in Europe, Asia and North America. For more information, visit the company's website at www.formfactor.com.

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Forward-looking Statements:

Statements in this press release that are not strictly historical in nature are forward-looking statements within the meaning of the federal securities laws, including statements regarding business momentum, demand for our products and future growth. These forward-looking statements are based on current information and expectations that are inherently subject to change and involve a number of risks and uncertainties. Actual events or results might differ materially from those in any forward-looking statement due to various factors, including, but not limited to: the Company's ability to improve its operational structure and extend its core technology leadership; the Company's ability to grow profitably; the Company's ability to realize growth opportunities; the demand for DRAM and Flash memory devices and certain other semiconductor devices; and the company's ability to timely deliver new products that meet its customer's testing requirements and lower their overall cost of test. Additional information concerning factors that could cause actual events or results to differ materially from those in any forward-looking statement is contained in the company's Form 10-K for the fiscal year ended December 26, 2009, as filed with the Securities and Exchange Commission ("SEC"), and subsequent SEC filings, including the company's Form 10-Q for its fiscal quarterly period ending March 27, 2010. Copies of the company's SEC filings are available at <http://investors.formfactor.com/edgar.cfm>. The company assumes no obligation to update the information in this press release, to revise any forward-looking statements or to update the reasons actual results could differ materially from those anticipated in forward-looking statements.
