



**Charter of the
Audit Committee of the Board of Directors**

I. Purpose

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of FormFactor, Inc. (the "**Company**") is to oversee the Company's accounting and financial reporting processes and the audits of the Company's financial statements, including oversight of the Company's systems of internal controls and disclosure controls and procedures, compliance with legal and regulatory requirements, internal audit function and the appointment, compensation and evaluation of the Company's independent auditors.

II. Organizational Matters

A. Membership

All members of the Committee will be appointed at least annually by the Board, based on the recommendations of the Company's Governance Committee. The members of the Committee shall serve at the discretion of the Board. The Committee shall consist of at least three members of the Board, with the exact number being determined by the Board. Each member of the Committee shall meet the following criteria (in each case to the extent that such requirement is effective from time to time):

1. Each member will be an independent member of the Board as defined by the rules of The Nasdaq Stock Market, as they may be amended from time to time (the "**Rules**");
2. Each member will meet the independence requirements for audit committee members specified by the rules and regulations of the Securities and Exchange Commission ("**SEC**");
3. Each member will meet such other qualifications for membership on an audit committee as the Nasdaq may promulgate from time to time, including being able to read and understand fundamental financial statements at the time of appointment;
4. At least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities in accordance with applicable Nasdaq rules;
5. At least one member will be an "audit committee financial expert" as defined by applicable SEC rules; and
6. No member will have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the most recent three years.

Unless the Board designates a chair, the members of the Committee may designate a chair by majority vote of the Committee membership. A majority of the members of the Committee will constitute a quorum for the transaction of the business of the Committee.

B. Funding

The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to (i) the Company's independent auditors for the purpose of rendering or issuing an audit report or preparing any other audit, review or attest services for the Company, and (ii) any outside advisors employed by the Committee pursuant to this charter. The Company shall pay the ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties.

C. Compensation

Members of the Committee shall receive such fees for their services as Committee members as may be determined by the Board. Members of the Committee may not receive any compensation from the Company except the fees that they receive for services as a member of the Board or any committee thereof.

D. Investigations, Studies and Outside Advisors

The Committee shall have unrestricted access to Company personnel and documents, shall have authority to direct and supervise an investigation into any matters within the scope of its duties, and shall have authority to engage and determine funding for independent counsel, experts and other advisors as it determines to be necessary or appropriate to carry out its responsibilities and duties.

E. Delegation of Authority

The Committee may, to the extent permitted under applicable law and regulations and the Company's certificate of incorporation and bylaws, delegate to one or more designated members of the Committee the authority to perform specific duties and responsibilities of the Committee.

III. Meetings and Reports

A. Meetings

The Committee will hold such regular or special meetings as its members or the chair shall deem necessary or appropriate, and in all events meet at least once each quarter. The Committee shall meet at least once each quarter with the independent auditors out of the presence of management about internal controls, the fullness and accuracy of the Company's financial statements and any other matters that the Committee or these groups believe should be discussed privately with the Committee. The Committee members, or the Chair of the Committee on behalf of all of the Committee members, shall communicate with management and the independent auditors at least once per quarter in connection with their review of the Company's financial statements. The Committee shall establish in advance a calendar for all then-contemplated meetings for the fiscal year. Meetings may be held telephonically. In lieu of a meeting, the Committee may also act by unanimous written consent.

B. Minutes

The Committee will maintain written minutes of its meetings, which minutes (and any action by written consent) will be filed with the minutes of the meetings of the Board.

C. Reports

The Committee shall report regularly (orally or in writing) to the Board (or the independent directors of the Board, as applicable) regarding matters for which the Committee has responsibility and any other issue that the Committee believes should be brought to the attention of the Board.

IV. Authority, Responsibilities and Duties

The Committee has the authority to undertake the specific responsibilities and duties listed below and such other specific duties as the Committee deems necessary to fulfill its purpose and as the Board may from time to time prescribe.

A. Processes, Controls and Risk Management

Specific responsibilities of the Committee in connection with processes, controls and risk management shall include those listed below.

1. Meeting periodically with management, the individuals or entities performing the internal audit functions, and the Company's independent auditors to discuss the adequacy and effectiveness of the Company's disclosure controls and procedures and its internal processes and controls over financial reporting, the completeness and accuracy of the Company's financial statements and such other matters as the Committee wishes to discuss.

2. Reviewing reports prepared by management assessing the adequacy and effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting, prior to the inclusion of such reports in the Company's annual report and related disclosures in the Company's quarterly reports.

3. Discussing with management the Company's policies with respect to risk assessment and risk management.

4. Reviewing on at least a quarterly basis the status of any legal matters, pending or threatened, that could have a significant impact on the Company's financial statements.

5. Reviewing the status of any inquiries or investigations by law enforcement or regulatory agencies.

6. Reviewing on at least an annual basis the Company's compliance with and changes to laws and regulations pertaining to taxes, export control, OSHA, worker's compensation, and similar matters.

7. Reviewing and approving the Company's disaster recovery and business continuity plan.

8. Overseeing the Company's asset management policies, including an annual review of the Company's investment policies and performance for cash and investments.

9. Establishing and monitoring the procedures for the receipt, retention, review and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential and anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

B. SEC Reports and Other Disclosures

Specific responsibilities of the Committee in connection with SEC reports and other disclosures shall include those listed below.

1. Reviewing with management and the Company's independent auditors as appropriate, before release and filing with the SEC:

a. the Company's quarterly and annual financial statements, including any report or opinion by the independent auditors;

b. the Company's earnings announcements;

c. the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the Company's Forms 10-Q and 10-K, and in the Company's registration statements under the Securities Act of 1933; and

d. The results of the independent auditors' audit of the Company's annual financial statements and the independent auditors' review of the Company's interim financial statements.

2. Recommending to the Board whether to include the Company's audited financial statements in the annual report on Form 10-K.

3. Preparing annually a report for inclusion in the proxy statement for the Company's annual meeting of stockholders, in accordance with then-applicable SEC rules and regulations.

C. Independent Auditors

Specific responsibilities of the Committee in connection with the independent auditors shall include those listed below.

1. Appointing, determining the compensation and funding for and overseeing the work of any registered public accounting firm engaged to render an audit or perform other audit, review or attest services for the Company. Reviewing the independence, performance, experience and qualifications of the independent auditors. The Committee shall have sole authority to approve the hiring and firing of any such independent auditors and the independent auditors shall report directly to the Committee.

2. Obtaining and reviewing, on at least an annual basis, a letter from the independent auditors describing all relationships between the independent auditors and the Company required to be disclosed by Independence Standards Board Standard No. 1, reviewing the nature and proposed audit scope, setting the compensation and fees, and evaluating, discussing with the auditors and terminating, as necessary, any relationships or services that the Committee believes could compromise the objectivity and independence of the independent auditors.

3. Pre-approving all audit and permissible non-audit services to be provided to the Company by the independent auditors (or subsequently approving non-audit services in those circumstances where a subsequent approval is permissible) in accordance with applicable laws, and establishing pre-approval policies and procedures, as permitted by applicable law and the rules and regulations of the SEC, for the engagement of independent auditors to render services to the Company.

4. Discussing with the Company's independent auditors the independent auditor's annual audit plan, including the scope of audit activities, staffing of the audit and any other matters required to be discussed in accordance with Statement of Accounting Standard No. 61, as then applicable.

5. Obtaining and reviewing at least annually a report from the independent auditors addressing:

a. all critical accounting policies and practices to be used;

b. all alternative treatments within generally accepted accounting principles of material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;

c. other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences;

d. any comments or recommendations of the independent auditors outlined in their annual management letter; and

e. the adequacy of the Company's accounting and financial reporting processes and systems of internal control, including the adequacy of the systems of reporting to the Committee by each group.

6. Reviewing with management and the independent auditors the results of the annual audit of the Company, discussing significant issues, events and transactions, the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the Company's financial statements and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information, and resolving any disagreements among management and the independent auditors regarding financial reporting.

7. Discussing any comments or recommendations outlined in the annual report of the independent auditors, and establishing a schedule for implementing any recommended changes and monitoring the implementation.

8. Communicating with the Company's independent auditors about the Company's expectations regarding its relationship with the auditors, including the independent auditors' ultimate accountability to the Committee, as representatives of the Company's stockholders.

9. Monitoring and periodically considering the rotation of partners of the independent auditors on the Company's independent audit engagement team as required by applicable law.

D. Other Duties and Responsibilities

Specific responsibilities of the Committee in connection with other matters related to its activities shall include those listed below.

1. Consulting with the independent auditors and the Director of Internal Audit at least once each quarter out of the presence of management about internal controls, the fullness and accuracy of the Company's financial statements and any other matters that the Committee or these groups believe should be discussed privately with the Committee.

2. Reassessing on an annual basis the scope of the internal audit department, including staffing, funding, audit plan and any necessary changes to relevant processes. Reviewing the results of internal audits, including high-risk deficiencies, recommended corrective actions and whether the Company's management has implemented the recommendations.

3. Reviewing and reassessing the adequacy of the Committee's charter on at least an annual basis. Submitting the charter to the Company's Board for review and approval and including a copy of the charter as an appendix to the Company's proxy statement as required by the then-applicable rules and regulations of the SEC (currently, once every three years).

4. Reviewing developments in accounting principles, auditing standards, independence standards and reporting standards.

5. Performing any other activities required by applicable law, rules or regulations, including the rules of the SEC and any stock exchange or market on which the Company's Common Stock is listed, and perform other activities that are consistent with this charter, the Company's Bylaws and governing laws, as the Committee or the Board deems necessary or appropriate.