

# **VISHAY INTERTECHNOLOGY, INC. COMPENSATION COMMITTEE CHARTER**

This Compensation Committee Charter has been adopted by the Board of Directors (the “Board”) of Vishay Intertechnology, Inc. (the “Company”) amended and effective as of March 4, 2014.

## **I. Purpose and General Principles**

The Compensation Committee (the “Committee”) is appointed by the Board to discharge the Board’s responsibilities relating to the compensation of the Company’s Chief Executive Officer (the “CEO”) and the Company’s other executive officers (collectively, including the CEO, the “Executive Officers”). The Committee has overall responsibility for evaluating, approving and recommending to the Board, all compensation plans, policies and programs of the Company as they affect the Executive Officers.

## **II. Membership and Organization**

1. The Committee shall consist of at least three directors, as determined annually by the Board.
2. Members of the Committee shall be appointed by the Board, taking into consideration the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Committee with or without cause at any time.
3. Each member of the Committee shall be free of any material relationship with the Company (in accordance with the rules of the New York Stock Exchange (“NYSE”) and Securities and Exchange Commission (“SEC”)), as affirmatively determined by the Board. The members of the Committee shall also satisfy the independence requirements under the rules of the NYSE.
4. Each Committee member shall also qualify, in the determination of the Board:
  - as a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934; and
  - as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).
5. Unless a chairman of the Committee is appointed by the Board, the members of the Committee shall elect a chairman of the Committee by majority vote of the full Committee membership. The chairman shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, making regular reports to the Board, and maintaining regular liaison with the CEO and the Chief Financial Officer.

## **III. Administration and Procedures**

1. The Committee shall meet as it may deem necessary and appropriate in its judgment and in no event less than two times per year.

2. The chairman of the Committee may call a meeting of the Committee upon due notice to each other member at least twenty-four hours prior to the meeting and any member of the Committee may do so upon due notice at least forty-eight hours prior to the meeting. To the extent practicable, an agenda shall be distributed along with the notice of meeting.

3. A majority of the members shall constitute a quorum. If a quorum is present, a majority of the members present shall decide any question brought before the Committee.

4. The Committee shall cause to be prepared and filed with the records of the Company or the Committee's legal counsel minutes of each of its meetings. Such minutes shall be distributed to each member of the Committee.

5. The Committee shall report to the Board regularly regarding its proceedings.

6. The Committee shall have authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its discretion.

7. The Committee shall conduct and present to the Board an annual performance evaluation of the Committee.

8. The Committee shall review and assess the adequacy of this charter on an annual basis and shall submit any proposed amendments to the Board for approval.

#### **IV. Committee Consultants**

1. The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority, in its sole discretion, to obtain, retain and terminate any compensation consultant, legal counsel and other advisers ("Committee Consultants"), in accordance with the following:

- The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Committee Consultant retained by the Committee;
- The Committee shall be entitled to appropriate funding from the Company, as determined by the Committee, to pay reasonable compensation to any Committee Consultant; and
- The Committee shall be authorized to select a Committee Consultant only after conducting an independence assessment (as set forth below).

2. The Committee may also consult with any officer, employee or internal auditor of the Company, as it determines necessary or desirable to perform its responsibilities under this charter.

##### Committee Consultant Independence Assessment

3. In making the selection of a Committee Consultant, the Committee must consider all factors that would be relevant to a Committee Consultant's independence from management, including the following factors:

- The provision of other services to the Company by the Committee Consultant's employer;
- The amount of fees received from the Company by the Committee Consultant's employer, as a percentage of the total revenue of such employer;
- The policies and procedures of the Committee Consultant's employer that are designed to prevent conflicts of interest;
- Any business or personal relationship of the Committee Consultant with a member of the Committee;
- Any stock of the Company owned by the Committee Consultant; and
- Any business or personal relationship of the Committee Consultant or the Committee Consultant's employer with an executive officer of the Company.

4. The Committee shall conduct independence assessments with respect to any Committee Consultant which provides advice to the Committee, even if not expressly engaged as an adviser or counsel to the Committee, unless his or her role is limited to the following activities: (i) consulting on any broad based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the Committee Consultant, and about which the Committee Consultant does not provide advice.

5. The Committee shall conduct an independence assessment of any Committee Consultant at least once a year.

## **V. Responsibilities**

### Compensation of the Executive Officers

1. The Committee shall annually review and approve corporate goals and objectives relevant to Executive Officer compensation, evaluate the Executive Officers' performance in light of those goals and objectives and determine and approve the Executive Officers' compensation levels (including their annual base salaries and annual incentive opportunities) based on such evaluation and consistent with existing contractual requirements.

2. The Committee shall, periodically and as and when appropriate, review and approve with respect to the Executive Officers, the following: (a) all incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements and severance agreements; (c) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits; and (d) any special or supplemental compensation and benefits for the Executive Officers and individuals who formerly served as Executive Officers, including supplemental retirement benefits and the perquisites provide to them during and after employment.

3. In determining the long-term incentive component of each Executive Officer's compensation, the Committee shall consider:

- the Company's performance and stockholder return relative to comparable companies;
- the value of similar incentive awards to Executive Officers at comparable companies;
- the awards granted to the Executive Officers in previous years; and

- such other factors as the Committee deems relevant.

#### Compensation of Directors

4. The Committee shall recommend to the Board the compensation arrangements for Board members, including, to the extent the Committee deems appropriate, retainers, committee and committee chair fees, equity and other long-term compensation and retirement benefits.

#### Compensation Risk Management

5. The Committee shall review and discuss with the Board, at least annually, (a) the relationship between the Company's risk management and its compensation policies and practices, and (b) the structure of incentive compensation policies and practices, including equity-based plans, to ensure that such policies and practices do not encourage unnecessary or unreasonable risk-taking. The Committee shall review and discuss any disclosure in the Company's proxy statement regarding risks related to the Company's compensation policies and practices.

6. In making determinations and recommendations regarding compensation of the Company's management, the Committee shall, together with the Audit Committee, assess and address any risks created by or resulting from the Company's compensation structure.

#### Section 162(m)

7. The Committee shall act as the committee of the Board designated to administer any cash bonus plan of the Company. With respect to any plan that is intended to provide "performance-based compensation" within the meaning of Section 162(m) of the Code, the Committee, to the extent necessary under the terms of such plan and Section 162(m), shall determine the performance goals and certify whether and the extent to which such goals have been achieved and shall timely take all other action as may be necessary to comply with the requirements of Section 162(m) of the Code.

#### Other

8. The Committee shall monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to 401(k) plans and loans to directors and officers, and other legal requirements affecting its compensation and benefits programs, in consultation with the Audit Committee as appropriate.

9. The Committee shall review the design and implementation of the Company's equity and other incentive compensation plans and recommend to the Board adoption of and/or changes to such plans as the Committee deems appropriate, subject to any approvals required by the shareholders of the Company.

10. The Committee shall act as the stock option committee or other committee designated in the Company's equity based plans to administer and make awards under such plans.

11. The Committee shall provide oversight of management's decisions regarding performance and compensation of other employees, including review of employee compensation philosophy and policies, employee benefit plans, employee review programs and other employee compensation matters as appropriate.

12. The Committee shall administer compensation and benefit plans that require Board oversight, such as retirement or flex spending plans, on behalf of the Board.

13. The Committee shall review, and discuss with the Company's management, the

Company's Compensation Discussion and Analysis ("CD&A") and determine whether to recommend to the Board that the CD&A be included in the Company's annual report on Form 10-K and proxy statement based on such review and discussions.

14. The Committee shall produce the Compensation Committee Report on executive compensation as required by the rules of the SEC to be included in the Company's annual report on Form 10-K or proxy statement and review and approve the Compensation sections of the proxy statement and annual report on Form 10-K.