UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 1, 2022

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ **to** _______

Commission File Number 011-07416

Vishay Intertechnology, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**38-1686453**
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification Number)
63 Lancaster Avenue **Malvern, Pennsylvania 19355-2143**	**610-644-1300**
(Address of Principal Executive Offices)	(Registrant's Area Code and Telephone Number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of exchange on which registered
Common stock, par value $0.10 per share	VSH	New York Stock Exchange LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.)
☒Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes ☒ No

As of October 31, 2022 the registrant had 129,567,743 shares of its common stock (excluding treasury shares) and 12,097,148 shares of its Class B common stock outstanding.

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FORM 10-Q
October 1, 2022
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Balance Sheets
(In thousands)

	October 1, 2022 (Unaudited)	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	**$ 734,992**	$ 774,108
Short-term investments	**182,646**	146,743
Accounts receivable, net	**425,630**	396,458
Inventories:		
Finished goods	**164,252**	147,293
Work in process	**252,492**	226,496
Raw materials	**199,133**	162,711
Total inventories	**615,877**	536,500
Prepaid expenses and other current assets	**151,144**	156,689
Total current assets	**2,110,289**	2,010,498
Property and equipment, at cost:		
Land	**74,118**	74,646
Buildings and improvements	**617,784**	639,879
Machinery and equipment	**2,743,049**	2,758,262
Construction in progress	**167,336**	145,828
Allowance for depreciation	**(2,613,506)**	(2,639,136)
Property and equipment, net	**988,781**	979,479
Right of use assets	**118,676**	117,635
Deferred income taxes	**85,288**	95,037
Goodwill	**163,567**	165,269
Other intangible assets, net	**59,918**	67,714
Other assets	**94,027**	107,625
Total assets	**$ 3,620,546**	$ 3,543,257

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VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Balance Sheets (continued)
(In thousands)

	October 1, 2022 (Unaudited)	December 31, 2021
Liabilities and equity		
Current liabilities:		
Trade accounts payable	**$ 223,898**	$ 254,049
Payroll and related expenses	**164,303**	162,694
Lease liabilities	**23,650**	23,392
Other accrued expenses	**220,542**	218,089
Income taxes	**84,571**	35,443
Total current liabilities	**716,964**	693,667
Long-term debt less current portion	**458,120**	455,666
U.S. transition tax payable	**83,010**	110,681
Deferred income taxes	**52,382**	69,003
Long-term lease liabilities	**95,747**	99,987
Other liabilities	**84,575**	95,861
Accrued pension and other postretirement costs	**229,467**	271,672
Total liabilities	**1,720,265**	1,796,537
Equity:		
Vishay stockholders' equity		
Common stock	**13,291**	13,271
Class B convertible common stock	**1,210**	1,210
Capital in excess of par value	**1,351,470**	1,347,830
Retained earnings	**714,588**	401,694
Treasury stock (at cost)	**(54,671)**	-
Accumulated other comprehensive income (loss)	**(129,093)**	(20,252)
Total Vishay stockholders' equity	**1,896,795**	1,743,753
Noncontrolling interests	**3,486**	2,967
Total equity	**1,900,281**	1,746,720
Total liabilities and equity	**$ 3,620,546**	$ 3,543,257

See accompanying notes.

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Fiscal quarters ended	
	October 1, 2022	**October 2, 2021**
Net revenues	**$ 924,798**	$ 813,663
Costs of products sold	**635,260**	587,927
Gross profit	**289,538**	225,736
Selling, general, and administrative expenses	**106,436**	102,215
Operating income	**183,102**	123,521
Other income (expense):		
Interest expense	**(4,110)**	(4,427)
Other	**2,137**	(2,679)
Total other income (expense)	**(1,973)**	(7,106)
Income before taxes	**181,129**	116,415
Income tax expense	**40,566**	19,333
Net earnings	**140,563**	97,082
Less: net earnings attributable to noncontrolling interests	**502**	262
Net earnings attributable to Vishay stockholders	**$ 140,061**	$ 96,820
Basic earnings per share attributable to Vishay stockholders	**$ 0.98**	$ 0.67
Diluted earnings per share attributable to Vishay stockholders	**$ 0.98**	$ 0.67
Weighted average shares outstanding - basic	**142,887**	145,017
Weighted average shares outstanding - diluted	**143,447**	145,458
Cash dividends per share	**$ 0.100**	$ 0.095

See accompanying notes.

VISHAY INTERTECHNOLOGY, INC.
Consolidated Statements of Comprehensive Income
(Unaudited - In thousands)

	Fiscal quarters ended	
	October 1, 2022	**October 2, 2021**
Net earnings	**$ 140,563**	$ 97,082
Other comprehensive income (loss), net of tax		
Pension and other post-retirement actuarial items	**1,321**	1,850
Foreign currency translation adjustment	**(50,070)**	(17,242)
Other comprehensive income (loss)	**(48,749)**	(15,392)
Comprehensive income	**91,814**	81,690
Less: comprehensive income attributable to noncontrolling interests	**502**	262
Comprehensive income attributable to Vishay stockholders	**$ 91,312**	$ 81,428

See accompanying notes.

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Nine fiscal months ended October 1, 2022	Nine fiscal months ended October 2, 2021
Net revenues	**$ 2,642,103**	$ 2,397,415
Costs of products sold	**1,832,234**	1,739,458
Gross profit	**809,869**	657,957
Selling, general, and administrative expenses	**329,691**	311,800
Operating income	**480,178**	346,157
Other income (expense):		
Interest expense	**(12,639)**	(13,246)
Other	**(2,234)**	(12,159)
Total other income (expense)	**(14,873)**	(25,405)
Income before taxes	**465,305**	320,752
Income tax expense	**108,023**	58,646
Net earnings	**357,282**	262,106
Less: net earnings attributable to noncontrolling interests	**1,260**	659
Net earnings attributable to Vishay stockholders	**$ 356,022**	$ 261,447
Basic earnings per share attributable to Vishay stockholders	**$ 2.47**	$ 1.80
Diluted earnings per share attributable to Vishay stockholders	**$ 2.46**	$ 1.80
Weighted average shares outstanding - basic	**143,983**	145,000
Weighted average shares outstanding - diluted	**144,470**	145,455
Cash dividends per share	**$ 0.300**	$ 0.285

See accompanying notes.

VISHAY INTERTECHNOLOGY, INC.
Consolidated Statements of Comprehensive Income
(Unaudited - In thousands)

	Nine fiscal months ended October 1, 2022	Nine fiscal months ended October 2, 2021
Net earnings	**$ 357,282**	$ 262,106
Other comprehensive income (loss), net of tax		
Pension and other post-retirement actuarial items	**4,245**	5,734
Foreign currency translation adjustment	**(113,086)**	(34,906)
Other comprehensive income (loss)	**(108,841)**	(29,172)
Comprehensive income	**248,441**	232,934
Less: comprehensive income attributable to noncontrolling interests	**1,260**	659
Comprehensive income attributable to Vishay stockholders	**$ 247,181**	$ 232,275

See accompanying notes.

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Statements of Cash Flows
(Unaudited - In thousands)

	Nine fiscal months ended October 1, 2022	Nine fiscal months ended October 2, 2021
Operating activities		
Net earnings	**$ 357,282**	$ 262,106
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	**121,301**	125,095
(Gain) loss on disposal of property and equipment	**(372)**	(254)
Inventory write-offs for obsolescence	**18,197**	14,960
Deferred income taxes	**8,843**	(4,208)
Other	**4,272**	8,376
Change in U.S. transition tax liability	**(14,757)**	(14,757)
Change in repatriation tax liability	**(25,201)**	-
Net change in operating assets and liabilities	**(151,773)**	(80,866)
Net cash provided by operating activities	**317,792**	310,452
Investing activities		
Capital expenditures	**(172,175)**	(118,156)
Proceeds from sale of property and equipment	**472**	1,257
Purchase of short-term investments	**(182,079)**	(55,491)
Maturity of short-term investments	**132,892**	126,171
Other investing activities	**(199)**	347
Net cash used in investing activities	**(221,089)**	(45,872)
Financing activities		
Repurchase of convertible debt instruments	**-**	(300)
Dividends paid to common stockholders	**(39,433)**	(37,823)
Dividends paid to Class B common stockholders	**(3,629)**	(3,448)
Repurchase of common stock held in treasury	**(54,671)**	-
Distributions to noncontrolling interests	**(741)**	(800)
Cash withholding taxes paid when shares withheld for vested equity awards	**(2,123)**	(1,963)
Net cash used in financing activities	**(100,597)**	(44,334)
Effect of exchange rate changes on cash and cash equivalents	**(35,222)**	(8,360)
Net increase (decrease) in cash and cash equivalents	**(39,116)**	211,886
Cash and cash equivalents at beginning of period	**774,108**	619,874
Cash and cash equivalents at end of period	**$ 734,992**	$ 831,760

See accompanying notes.

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Statements of Equity
(Unaudited - In thousands, except share and per share amounts)

	Common Stock	Class B Convertible Common Stock	Capital in Excess of Par Value	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Vishay Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2020	$ 13,256	$ 1,210	$ 1,409,200	$ 138,990	$ 13,559	$ 1,576,215	$ 2,800	$ 1,579,015
Cumulative effect of accounting change for adoption of ASU 2020-06	-	-	(66,078)	20,566	-	(45,512)	-	(45,512)
Net earnings	-	-	-	71,435	-	71,435	208	71,643
Other comprehensive income (loss)	-	-	-	-	(25,085)	(25,085)	-	(25,085)
Issuance of stock and related tax withholdings for vested restricted stock units (149,722 shares)	15	-	(1,978)	-	-	(1,963)	-	(1,963)
Dividends declared ($0.095 per share)	-	-	20	(13,777)	-	(13,757)	-	(13,757)
Stock compensation expense	-	-	4,120	-	-	4,120	-	4,120
Balance at April 3, 2021	$ 13,271	$ 1,210	$ 1,345,284	$ 217,214	$ (11,526)	$ 1,565,453	$ 3,008	$ 1,568,461
Net earnings	-	-	-	93,192	-	93,192	189	93,381
Other comprehensive income	-	-	-	-	11,305	11,305	-	11,305
Distributions to noncontrolling interests	-	-	-	-	-	-	(800)	(800)
Dividends declared ($0.095 per share)	-	-	20	(13,777)	-	(13,757)	-	(13,757)
Stock compensation expense	-	-	828	-	-	828	-	828
Balance at July 3, 2021	$ 13,271	$ 1,210	$ 1,346,132	$ 296,629	$ (221)	$ 1,657,021	$ 2,397	$ 1,659,418
Net earnings	-	-	-	96,820	-	96,820	262	97,082
Other comprehensive income (loss)	-	-	-	-	(15,392)	(15,392)	-	(15,392)
Dividends declared ($0.095 per share)	-	-	20	(13,777)	-	(13,757)	-	(13,757)
Stock compensation expense	-	-	828	-	-	828	-	828
Balance at October 2, 2021	$ 13,271	$ 1,210	$ 1,346,980	$ 379,672	$ (15,613)	$ 1,725,520	$ 2,659	$ 1,728,179

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VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Statements of Equity (continued)
(Unaudited - In thousands, except share and per share amounts)

	Common Stock	Class B Convertible Common Stock	Capital in Excess of Par Value	Retained Earnings (Accumulated Deficit)	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Vishay Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2021	$ 13,271	$ 1,210	$1,347,830	$ 401,694	$ -	$ (20,252)	$ 1,743,753	$ 2,967	$1,746,720
Net earnings	-	-	-	103,573	-	-	103,573	377	103,950
Other comprehensive income (loss)	-	-	-	-	-	(11,925)	(11,925)	-	(11,925)
Issuance of stock and related tax withholdings for vested restricted stock units (189,731 shares)	19	-	(2,142)	-	-	-	(2,123)	-	(2,123)
Dividends declared ($0.10 per share)	-	-	22	(14,491)	-	-	(14,469)	-	(14,469)
Stock compensation expense	-	-	3,842	-	-	-	3,842	-	3,842
Repurchase of common stock held in treasury (513,227 shares)	-	-	-	-	(9,873)	-	(9,873)	-	(9,873)
Balance at April 2, 2022	$ 13,290	1,210	1,349,552	490,776	(9,873)	(32,177)	1,812,778	3,344	1,816,122
Net earnings	-	-	-	112,388	-	-	112,388	381	112,769
Other comprehensive income (loss)	-	-	-	-	-	(48,167)	(48,167)	-	(48,167)
Distributions to noncontrolling interests	-	-	-	-	-	-	-	(733)	(733)
Issuance of stock and related tax withholdings for vested restricted stock units (11,308 shares)	1	-	(1)	-	-	-	-	-	-
Dividends declared ($0.10 per share)	-	-	22	(14,361)	-	-	(14,339)	-	(14,339)
Stock compensation expense	-	-	1,047	-	-	-	1,047	-	1,047
Repurchase of common stock held in treasury (1,400,039 shares)	-	-	-	-	(26,288)	-	(26,288)	-	(26,288)
Balance at July 2, 2022	$ 13,291	1,210	1,350,620	588,803	(36,161)	(80,344)	1,837,419	2,992	1,840,411
Net earnings	**-**	**-**	**-**	**140,061**	**-**	**-**	**140,061**	**502**	**140,563**
Other comprehensive income (loss)	**-**	**-**	**-**	**-**	**-**	**(48,749)**	**(48,749)**	**-**	**(48,749)**
Distributions to noncontrolling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(8)**	**(8)**
Dividends declared	**-**	**-**	**22**	**(14,276)**	**-**	**-**	**(14,254)**	**-**	**(14,254)**

($0.10 per share)									
Stock compensation expense	**-**	**-**	**828**	**-**	**-**	**-**	**828**	**-**	**828**
Repurchase of common stock held in treasury (978,338 shares)	**-**	**-**	**-**	**-**	**(18,510)**	**-**	**(18,510)**	**-**	**(18,510)**
Balance at October 1, 2022	**$ 13,291**	**1,210**	**1,351,470**	**714,588**	**(54,671)**	**(129,093)**	**1,896,795**	**3,486**	**1,900,281**

See accompanying notes.

Note 1 – Basis of Presentation

The accompanying unaudited consolidated condensed financial statements of Vishay Intertechnology, Inc. (“Vishay” or the “Company”) have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for presentation of financial position, results of operations, and cash flows required by accounting principles generally accepted in the United States (“GAAP”) for complete financial statements. The information furnished reflects all normal recurring adjustments which are, in the opinion of management, necessary for a fair summary of the financial position, results of operations, and cash flows for the interim periods presented. The financial statements should be read in conjunction with the consolidated financial statements filed with the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. The results of operations for the fiscal quarter and nine fiscal months ended October 1, 2022 are not necessarily indicative of the results to be expected for the full year.

The Company reports interim financial information for 13-week periods beginning on a Sunday and ending on a Saturday, except for the first fiscal quarter, which always begins on January 1, and the fourth fiscal quarter, which always ends on December 31. The four fiscal quarters in 2022 end on April 2, 2022, July 2, 2022, October 1, 2022, and December 31, 2022, respectively. The four fiscal quarters in 2021 ended on April 3, 2021, July 3, 2021, October 2, 2021, and December 31, 2021, respectively.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current financial statement presentation.

Note 2 - Acquisition Activities

As part of its growth strategy, the Company seeks to expand through targeted acquisitions of other manufacturers of electronic components. These acquisition targets include businesses that have established positions in major markets, reputations for product quality and reliability, and product lines with which the Company has substantial marketing and technical expertise. It also includes certain businesses that possess technologies which the Company expects to further develop and commercialize.

Subsequent Event

On October 28, 2022, 2022, Vishay acquired MaxPower Semiconductor, Inc. ("MaxPower"), a San Jose, California-based fabless power semiconductor provider dedicated to delivering innovative and cost-effective technologies that optimize power management solutions. MaxPower's proprietary device structures and process techniques provide leading edge silicon and silicon carbide ("SiC") MOSFET products. Its SiC product development targets automotive and industrial applications.

Vishay paid cash of $50,000, net of cash acquired, at closing. Related to the transaction, Vishay may also be required to make certain contingent payments of up to $57,500, which would be payable upon the achievement of certain technology milestones and the occurrence of certain non-operating events. The purchase price for U.S. GAAP purposes will include the fair value, as of the acquisition date, of certain future contingent payments. To the extent contingent payments are deemed compensatory in nature, such payments will be recognized as expense in future periods, and will thus not be included in the U.S. GAAP purchase price.

MaxPower will be incorporated into Vishay’s MOSFETs reportable segment, and the goodwill related to this acquisition will be included in the MOSFETs reporting unit for goodwill impairment testing.

Note 3 – Impact of COVID-19 Pandemic

The Company's operations in the People's Republic of China, particularly in Shanghai, were impacted by COVID-19 government mandated shut-downs of the Company's facilities in the second fiscal quarter of 2022. The Company incurred incremental costs separable from normal operations that are directly related to the shut-downs, primarily wages paid to manufacturing employees during the shut-downs, additional wages and hardship allowances for working during lockdown periods, and temporary housing for employees due to travel restrictions, which were partially offset by government subsidies. The net impact of the costs and subsidies are reported as cost of products sold ($6,661) and selling, general, and administrative expenses of ($546) based on employee function on the consolidated condensed statement of operations for the nine fiscal months ended October 1, 2022.

(dollars in thousands, except per share amounts)

Note 4 – Leases

The net right of use assets and lease liabilities recognized on the consolidated condensed balance sheets for the Company's operating leases were as follows:

	October 1, 2022	December 31, 2021
Right of use assets		
Operating Leases		
Buildings and improvements	**$ 114,620**	$ 112,951
Machinery and equipment	**4,056**	4,684
Total	**$ 118,676**	$ 117,635
Current lease liabilities		
Operating Leases		
Buildings and improvements	**$ 21,395**	$ 20,851
Machinery and equipment	**2,255**	2,541
Total	**$ 23,650**	$ 23,392
Long-term lease liabilities		
Operating Leases		
Buildings and improvements	**$ 94,023**	$ 97,890
Machinery and equipment	**1,724**	2,097
Total	**$ 95,747**	$ 99,987
Total lease liabilities	**$ 119,397**	$ 123,379

Lease expense is classified in the statements of operations based on asset use. Total lease cost recognized on the consolidated condensed statements of operations is as follows:

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Lease expense				
Operating lease expense	**$ 6,258**	$ 6,170	**$ 19,014**	$ 18,570
Short-term lease expense	**212**	691	**752**	1,444
Variable lease expense	**119**	97	**219**	290
Total lease expense	**$ 6,589**	$ 6,958	**$ 19,985**	$ 20,304

The Company paid $18,062 and $18,000 for its operating leases in the nine fiscal months ended October 1, 2022 and October 2, 2021, respectively, which are included in operating cash flows on the consolidated condensed statements of cash flows. The weighted-average remaining lease term for the Company's operating leases is 8.4 years and the weighted-average discount rate is 5.4% as of October 1, 2022.

The undiscounted future lease payments for the Company's operating lease liabilities are as follows:

	October 1, 2022
2022 (excluding the nine fiscal months ended October 1, 2022)	$ 5,928
2023	23,302
2024	21,174
2025	18,072
2026	16,004
Thereafter	60,917

The undiscounted future lease payments presented in the table above include payments through the term of the lease, which may include periods beyond the noncancellable term. The difference between the total payments above and the lease liability balance is due to the discount rate used to calculate lease liabilities.

(dollars in thousands, except per share amounts)

Note 5 – Income Taxes

The provision for income taxes consists of provisions for federal, state, and foreign income taxes. The effective tax rates for the periods ended October 1, 2022 and October 2, 2021 reflect the Company's expected tax rate on reported income before income tax and tax adjustments. The Company operates in a global environment with significant operations in various jurisdictions outside the United States. Accordingly, the consolidated income tax rate is a composite rate reflecting the Company's earnings and the applicable tax rates in the various jurisdictions where the Company operates.

The Company recognized tax benefits of $5,941 in the third fiscal quarter of 2022 for changes in uncertain tax positions following the resolution of a tax audit.

The Company repatriated $81,243 to the United States in the second fiscal quarter of 2022 pursuant to the repatriation program initiated in response to a change in Israeli tax law. The Company paid withholding taxes, foreign taxes, and Israeli clawback taxes of $25,201 due to the repatriation. Tax expense for the repatriation was recorded in 2021 when the tax law was enacted.

During the nine fiscal months ended October 1, 2022, the liabilities for unrecognized tax benefits decreased by $11,489 on a net basis, primarily due to payments, settlements, and currency translation adjustments, partially offset by accruals for current year tax positions and interest.

Note 6 – Long-Term Debt

Long-term debt consists of the following:

	October 1, 2022	December 31, 2021
Credit facility	**$ -**	$ -
Convertible senior notes, due 2025	**465,344**	465,344
Deferred financing costs	**(7,224)**	(9,678)
	458,120	455,666
Less current portion	**-**	-
	$ 458,120	$ 455,666

The following table summarizes some key facts and terms regarding the outstanding convertible senior notes due 2025 as of October 1, 2022:

	Convertible Senior Notes Due 2025
Issuance date	June 12, 2018
Maturity date	June 15, 2025
Principal amount as of October 1, 2022	$ 465,344
Cash coupon rate (per annum)	2.25%
Nonconvertible debt borrowing rate at issuance (per annum)	5.50%
Conversion rate effective September 8, 2022 (per $1 principal amount)	32.0259
Effective conversion price effective September 8, 2022 (per share)	$ 31.22
130% of the current effective conversion price (per share)	$ 40.59

Prior to December 15, 2024, the holders of the convertible senior notes due 2025 may convert their notes only under the following circumstances: (1) during any fiscal quarter after the fiscal quarter ending September 29, 2018, if the sale price of Vishay common stock reaches 130% of the conversion price for a specified period; (2) the trading price of the notes falls below 98% of the product of the sale price of Vishay's common stock and the conversion rate for a specified period; or (3) upon the occurrence of specified corporate transactions. The convertible senior notes due 2025 are not currently convertible.

Upon conversion of the convertible senior notes due 2025, Vishay will satisfy its conversion obligations by paying $1 cash per $1 principal amount of converted notes and settle any additional amounts due in common stock.

The quarterly cash dividend program of the Company results in adjustments to the conversion rate and effective conversion price for the convertible senior notes due 2025 effective as of the ex-dividend date of each cash dividend. The conversion rate and effective conversion price for the convertible senior notes due 2025 is adjusted for quarterly cash dividends to the extent such dividends exceed $0.085 per share of common stock.

(dollars in thousands, except per share amounts)

Note 7 - Stockholders' Equity

On February 7, 2022, the Company's Board of Directors adopted a Stockholder Return Policy that will remain in effect until such time as the Board votes to amend or rescind the policy. The Stockholder Return Policy calls for the Company to return a prescribed amount of cash flows on an annual basis. The Company intends to return such amounts directly, in the form of dividends, or indirectly, in the form of stock repurchases.

The following table summarizes activity pursuant to this policy:

	Fiscal quarter ended October 1, 2022	Nine fiscal months ended October 1, 2022
Dividends paid to stockholders	$ 14,254	$ 43,062
Stock repurchases	18,510	54,671
Total	$ 32,764	$ 97,733

The repurchased shares are being held as treasury stock. The Company records treasury stock at cost, inclusive of fees, commissions and other expenses, when outstanding common shares are repurchased. As of December 31, 2021, no shares of common stock were held as treasury stock. As of October 1, 2022, 2,891,604 shares of common stock are being held as treasury stock.

Note 8 – Revenue Recognition

Sales returns and allowances accrual activity is shown below:

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Beginning balance	**$ 40,775**	$ 41,262	**$ 39,759**	$ 39,629
Sales allowances	**33,015**	22,850	**79,432**	68,689
Credits issued	**(32,202)**	(28,948)	**(76,497)**	(72,744)
Foreign currency	**(849)**	(314)	**(1,955)**	(724)
Ending balance	**$ 40,739**	$ 34,850	**$ 40,739**	$ 34,850

Note 9 – Accumulated Other Comprehensive Income (Loss)

The cumulative balance of each component of other comprehensive income (loss) and the income tax effects allocated to each component are as follows:

	Pension and other post-retirement actuarial items	Currency translation adjustment	Total
Balance at January 1, 2022	$ (58,908)	$ 38,656	**$ (20,252)**
Other comprehensive income (loss) before reclassifications	-	(113,086)	**$ (113,086)**
Tax effect	-	-	**$ -**
Other comprehensive income before reclassifications, net of tax	-	(113,086)	**$ (113,086)**
Amounts reclassified out of AOCI	6,285	-	**$ 6,285**
Tax effect	(2,040)	-	**$ (2,040)**
Amounts reclassified out of AOCI, net of tax	4,245	-	**$ 4,245**
Net other comprehensive income (loss)	$ 4,245	$ (113,086)	**$ (108,841)**
Balance at October 1, 2022	**$ (54,663)**	**$ (74,430)**	**$ (129,093)**

Reclassifications of pension and other post-retirement actuarial items out of AOCI are included in the computation of net periodic benefit cost. See Note 10 for further information.

(dollars in thousands, except per share amounts)

Note 10 – Pensions and Other Postretirement Benefits

The Company maintains various retirement benefit plans. The service cost component of net periodic pension cost is classified in costs of products sold or selling, general, and administrative expenses on the consolidated condensed statements of operations based on the respective employee's function. The other components of net periodic pension cost are classified as other expense on the consolidated condensed statements of operations.

Defined Benefit Pension Plans

The following table shows the components of the net periodic pension cost for the third fiscal quarters of 2022 and 2021 for the Company's defined benefit pension plans:

	Fiscal quarter ended October 1, 2022		Fiscal quarter ended October 2, 2021	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Net service cost	$ -	$ 1,010	$ -	$ 1,167
Interest cost	280	768	254	738
Expected return on plan assets	-	(418)	-	(414)
Amortization of prior service cost	36	50	36	49
Amortization of losses	427	1,140	447	1,851
Curtailment and settlement losses	-	257	-	203
Net periodic benefit cost	$ 743	$ 2,807	$ 737	$ 3,594

The following table shows the components of the net periodic pension cost for the nine fiscal months ended October 1, 2022 and October 2, 2021 for the Company's defined benefit pension plans:

	Nine fiscal months ended October 1, 2022		Nine fiscal months ended October 2, 2021	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Net service cost	$ -	$ 3,195	$ -	$ 3,548
Interest cost	841	2,433	762	2,246
Expected return on plan assets	-	(1,318)	-	(1,250)
Amortization of prior service cost	108	159	108	150
Amortization of losses	1,280	3,616	1,340	5,622
Curtailment and settlement losses	-	801	-	604
Net periodic benefit cost	$ 2,229	$ 8,886	$ 2,210	$ 10,920

(dollars in thousands, except per share amounts)

Other Postretirement Benefits

The following table shows the components of the net periodic benefit cost for the third fiscal quarters of 2022 and 2021 for the Company's other postretirement benefit plans:

	Fiscal quarter ended October 1, 2022		**Fiscal quarter ended October 2, 2021**	
	U.S. Plans	**Non-U.S. Plans**	**U.S. Plans**	**Non-U.S. Plans**
Service cost	**$ 10**	**$ 57**	$ 25	$ 70
Interest cost	**45**	**13**	41	10
Amortization of losses	**86**	**20**	13	29
Net periodic benefit cost	**$ 141**	**$ 90**	$ 79	$ 109

The following table shows the components of the net periodic pension cost for the nine fiscal months ended October 1, 2022 and October 2, 2021 for the Company's other postretirement benefit plans:

	Nine fiscal months ended October 1, 2022		**Nine fiscal months ended October 2, 2021**	
	U.S. Plans	**Non-U.S. Plans**	**U.S. Plans**	**Non-U.S. Plans**
Service cost	**$ 29**	**$ 180**	$ 76	$ 211
Interest cost	**134**	**42**	123	32
Amortization of losses	**257**	**64**	39	88
Net periodic benefit cost	**$ 420**	**$ 286**	$ 238	$ 331

(dollars in thousands, except per share amounts)

Note 11 – Stock-Based Compensation

The following table summarizes stock-based compensation expense recognized:

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Restricted stock units	**$ 828**	$ 828	**$ 5,495**	5,567
Phantom stock units	**-**	-	**222**	209
Total	**$ 828**	$ 828	**$ 5,717**	5,776

The following table summarizes unrecognized compensation cost and the weighted average remaining amortization periods at October 1, 2022 *(amortization periods in years)*:

	Unrecognized Compensation Cost	**Weighted Average Remaining Amortization Periods**
Restricted stock units	**$ 4,068**	**0.8**
Phantom stock units	**-**	**n/a**
Total	**$ 4,068**	

The Company currently expects all performance-based RSUs to vest and all of the associated unrecognized compensation cost for performance-based RSUs presented in the table above to be recognized.

Restricted Stock Units

RSU activity under the Company's 2007 Stock Incentive Program (the "2007 Program") as of October 1, 2022 and changes during the nine fiscal months then ended are presented below *(number of RSUs in thousands)*:

	Number of RSUs	Weighted Average Grant-date Fair Value per Unit
Outstanding:		
January 1, 2022	**877**	**$ 20.08**
Granted	**336**	**19.13**
Vested*	**(306)**	**20.04**
Cancelled or forfeited	**(13)**	**20.50**
Outstanding at October 1, 2022	**894**	**$ 19.73**
Expected to vest at October 1, 2022	**894**	

* The number of RSUs vested includes shares that the Company withheld on behalf of employees to satisfy the statutory tax withholding requirements.

The number of performance-based RSUs that are scheduled to vest increases ratably based on the achievement of defined performance criteria between the established target and maximum levels. RSUs with performance-based vesting criteria are expected to vest as follows *(number of RSUs in thousands)*:

Vesting Date	Expected to Vest	Not Expected to Vest	Total
January 1, 2023	152	-	152
January 1, 2024	165	-	165
January 1, 2025	168	-	168

Phantom Stock Units

Phantom stock unit activity under the 2007 Program as of October 1, 2022 and changes during the nine fiscal months then ended are presented below *(number of phantom stock units in thousands)*:

	Number of units	Grant-date Fair Value per Unit
Outstanding:		
January 1, 2022	**212**	
Granted	**10**	**$ 22.20**
Dividend equivalents issued	**3**	
Outstanding at October 1, 2022	**225**	

(dollars in thousands, except per share amounts)

Note 12 – Segment Information

The following tables set forth business segment information:

	MOSFETs	Diodes	Optoelectronic Components	Resistors	Inductors	Capacitors	Corporate / Other*	Total
Fiscal quarter ended October 1, 2022:								
Net revenues	**$ 225,186**	**$ 209,012**	**$ 73,447**	**$ 207,437**	**$ 83,503**	**$ 126,213**	**$ -**	**$ 924,798**
Segment Operating Income	**$ 71,867**	**$ 51,368**	**$ 22,021**	**$ 61,621**	**$ 22,585**	**$ 25,310**	**$ -**	**$ 254,772**
Fiscal quarter ended October 2, 2021:								
Net revenues	$ 175,499	$ 185,306	$ 70,750	$ 181,189	$ 84,816	$ 116,103	$ -	$ 813,663
Segment Operating Income	$ 43,717	$ 41,363	$ 19,708	$ 43,547	$ 24,368	$ 19,913	$ -	$ 192,616
Nine fiscal months ended October 1, 2022:								
Net revenues	**$ 556,255**	**$ 583,429**	**$ 232,399**	**$ 627,645**	**$ 255,888**	**$ 386,487**	**$ -**	**$ 2,642,103**
Segment Operating Income	**$ 164,993**	**$ 140,307**	**$ 72,575**	**$ 183,414**	**$ 71,698**	**$ 80,330**	**$ (6,661)**	**$ 706,656**
Nine fiscal months ended October 2, 2021:								
Net revenues	$ 496,659	$ 517,299	$ 224,316	$ 562,513	$ 253,813	$ 342,815	$ -	$ 2,397,415
Segment Operating Income	$ 108,434	$ 106,304	$ 61,070	$ 142,288	$ 75,902	$ 62,462	$ -	$ 556,460

***Amounts reported in Corporate/Other above represent unallocated costs directly related to the COVID-19 pandemic, which are reported as costs of products sold on the consolidated condensed statement of operations.

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Reconciliation:				
Segment Operating Income	**$ 254,772**	$ 192,616	**$ 706,656**	$ 556,460
Impact of the COVID-19 Pandemic on Selling, General, and Administrative Expenses	**-**	-	**(546)**	-
Unallocated Selling, General, and Administrative Expenses	**(71,670)**	(69,095)	**(225,932)**	(210,303)
Consolidated Operating Income	**$ 183,102**	$ 123,521	**$ 480,178**	$ 346,157
Unallocated Other Income (Expense)	**(1,973)**	(7,106)	**(14,873)**	(25,405)
Consolidated Income Before Taxes	**$ 181,129**	$ 116,415	**$ 465,305**	$ 320,752

(dollars in thousands, except per share amounts)

The Company has a broad line of products that it sells to OEMs, EMS companies, and independent distributors. The distribution of sales by customer type is shown below:

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Distributors	**$ 536,289**	$ 483,766	**$ 1,549,872**	$ 1,400,700
OEMs	**322,260**	278,358	**908,384**	850,413
EMS companies	**66,249**	51,539	**183,847**	146,302
Total Revenue	**$ 924,798**	$ 813,663	**$ 2,642,103**	$ 2,397,415

Net revenues were attributable to customers in the following regions:

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Asia	**$ 352,160**	$ 365,133	**$ 1,040,942**	$ 1,034,936
Europe	**296,779**	263,650	**862,728**	800,801
Americas	**275,859**	184,880	**738,433**	561,678
Total Revenue	**$ 924,798**	$ 813,663	**$ 2,642,103**	$ 2,397,415

The Company generates substantially all of its revenue from product sales to end customers in the industrial, automotive, telecommunications, computing, consumer products, power supplies, military and aerospace, and medical end markets. Sales by end market are presented below:

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Industrial	**$ 362,380**	$ 335,047	**$ 1,050,704**	$ 927,981
Automotive	**286,331**	240,764	**799,504**	743,766
Telecommunications	**32,288**	24,580	**92,184**	72,438
Computing	**52,206**	58,703	**177,172**	183,234
Consumer Products	**50,235**	43,839	**132,090**	128,243
Power Supplies	**50,822**	42,082	**132,248**	119,373
Military and Aerospace	**56,861**	40,198	**159,062**	124,909
Medical	**33,675**	28,450	**99,139**	97,471
Total revenue	**$ 924,798**	$ 813,663	**$ 2,642,103**	$ 2,397,415

Note 13 – Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share attributable to Vishay stockholders *(shares in thousands)*:

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Numerator:				
Net earnings attributable to Vishay stockholders	**$ 140,061**	$ 96,820	**$ 356,022**	$ 261,447
Denominator:				
Denominator for basic earnings per share:				
Weighted average shares	**142,663**	144,808	**143,760**	144,792
Outstanding phantom stock units	**224**	209	**223**	208
Adjusted weighted average shares	**142,887**	145,017	**143,983**	145,000
Effect of dilutive securities:				
Convertible debt instruments	**-**	-	**-**	3
Restricted stock units	**560**	441	**487**	452
Dilutive potential common shares	**560**	441	**487**	455
Denominator for diluted earnings per share:				
Adjusted weighted average shares - diluted	**143,447**	145,458	**144,470**	145,455
Basic earnings per share attributable to Vishay stockholders	**$ 0.98**	$ 0.67	**$ 2.47**	$ 1.80
Diluted earnings per share attributable to Vishay stockholders	**$ 0.98**	$ 0.67	**$ 2.46**	$ 1.80

Diluted earnings per share for the periods presented do not reflect the following weighted average potential common shares that would have an antidilutive effect or have unsatisfied performance conditions *(in thousands)*:

	Fiscal quarters ended		Nine fiscal months ended	
	October 1, 2022	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Restricted stock units	**168**	317	**278**	317

If the average market price of Vishay common stock is less than the effective conversion price of the convertible senior notes due 2025, no shares are included in the diluted earnings per share computation for the convertible senior notes due 2025. Upon Vishay exercising its existing right to legally amend the indenture governing the convertible senior notes due 2025, Vishay will satisfy its conversion obligations by paying $1 cash per $1 principal amount of converted notes and settle any additional amounts due in common stock. Accordingly, the notes are not anti-dilutive when the average market price of Vishay common stock is less than the effective conversion price of the convertible senior notes due 2025.

(dollars in thousands, except per share amounts)

Note 14 – Fair Value Measurements

The following table provides the financial assets and liabilities carried at fair value measured on a recurring basis:

	Total Fair Value	Level 1	Level 2	Level 3
October 1, 2022				
Assets:				
Assets held in rabbi trusts	**$ 46,802**	$ 25,050	$ 21,752	$ -
Available for sale securities	**$ 3,317**	3,317	-	-
Precious metals	**$ 3,077**	3,077	-	-
	$ 53,196	**$ 31,444**	**$ 21,752**	**$ -**
December 31, 2021				
Assets:				
Assets held in rabbi trusts	$ 59,687	$ 32,713	26,974	$ -
Available for sale securities	$ 4,455	4,455	-	-
	$ 64,142	$ 37,168	$ 26,974	$ -

There have been no changes in the classification of any financial instruments within the fair value hierarchy in the periods presented.

The Company maintains non-qualified trusts, referred to as “rabbi” trusts, to fund payments under deferred compensation and non-qualified pension plans. Rabbi trust assets consist primarily of marketable securities, classified as available-for-sale and company-owned life insurance assets. The marketable securities held in the rabbi trusts are valued using quoted market prices on the last business day of the period. The company-owned life insurance assets are valued in consultation with the Company’s insurance brokers using the value of underlying assets of the insurance contracts. The fair value measurement of the marketable securities held in the rabbi trust is considered a Level 1 measurement and the measurement of the company-owned life insurance assets is considered a Level 2 measurement within the fair value hierarchy.

The Company holds investments in debt securities that are intended to fund a portion of its pension and other postretirement benefit obligations outside of the United States. The investments are valued based on quoted market prices on the last business day of the period. The fair value measurement of the investments is considered a Level 1 measurement within the fair value hierarchy.

From time to time, the Company purchases precious metals bullion in excess of its immediate manufacturing needs to mitigate the risk of supply shortages or volatile price fluctuations. The metals are valued based on quoted market prices on the last business day of the period. The fair value measurement of the metals are considered a Level 1 measurement within the fair value hierarchy.

The Company has entered into forward contracts with highly-rated financial institutions to mitigate the foreign currency risk associated with intercompany loans denominated in a currency other than the legal entity's functional currency. The Company had no outstanding forward contracts as of October 1, 2022. The notional amount of the forward contracts was $100,000 as of December 31, 2021. The forward contracts were short-term in nature and were renewed at the Company's discretion until the intercompany loans were repaid. We did not designate the forward contracts as hedges for accounting purposes, and as such the change in the fair value of the contracts would be recognized in the consolidated condensed statements of operations as a component of other income (expense). The Company estimates the fair value of the forward contracts based on applicable and commonly used pricing models using current market information and was considered a Level 2 measurement within the fair value hierarchy. The value of the forward contracts was immaterial as of December 31, 2021. The Company does not utilize derivatives or other financial instruments for trading or other speculative purposes.

The fair value of the long-term debt, excluding the derivative liabilities and deferred financing costs, at October 1, 2022 and December 31, 2021 is approximately $435,400 and $485,500, respectively, compared to its carrying value, excluding the deferred financing costs, of $465,344 and $465,344, respectively. The Company estimates the fair value of its long-term debt using a combination of quoted market prices for similar financing arrangements and expected future payments discounted at risk-adjusted rates, which are considered Level 2 inputs.

At October 1, 2022 and December 31, 2021, the Company’s short-term investments were comprised of time deposits with financial institutions that have maturities that exceed 90 days from the date of acquisition; however they all mature within one year from the respective balance sheet dates. The Company's short-term investments are accounted for as held-to-maturity debt instruments, at amortized cost, which approximates their fair value. The investments are funded with excess cash not expected to be needed for operations prior to maturity; therefore, the Company believes it has the intent and ability to hold the short-term investments until maturity. At each reporting date, the Company performs an evaluation to determine if any unrealized losses are other-than-temporary. No other-than-temporary impairments have been recognized on these securities, and there are no unrecognized holding gains or losses for these securities during the periods presented. There have been no transfers to or from the held-to-maturity classification. All decreases in the account balance are due to returns of principal at the securities’ maturity dates. Interest on the securities is recognized as interest income when earned.

At October 1, 2022 and December 31, 2021, the Company’s cash and cash equivalents were comprised of demand deposits, time deposits with maturities of three months or less when purchased, and money market funds. The Company estimates the fair value of its cash, cash equivalents, and short-term investments using level 2 inputs. Based on the current interest rates for similar investments with comparable credit risk and time to maturity, the fair value of the Company's cash, cash equivalents, and held-to-maturity short-term investments approximate the carrying amounts reported in the consolidated condensed balance sheets.

The Company’s financial instruments also include accounts receivable and accounts payable. The carrying amounts for these financial instruments reported in the consolidated condensed balance sheets approximate their fair values.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis ("MD&A") is intended to provide an understanding of Vishay's financial condition, results of operations and cash flows by focusing on changes in certain key measures from period to period. The MD&A should be read in conjunction with our Consolidated Condensed Financial Statements and accompanying Notes included in Item 1. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in our Annual Report on Form 10-K, particularly in Item 1A. "Risk Factors," filed with the Securities and Exchange Commission on February 23, 2022.

Overview

Vishay Intertechnology, Inc. ("Vishay," "we," "us," or "our") manufactures one of the world's largest portfolios of discrete semiconductors and passive electronic components that are essential to innovative designs in the automotive, industrial, computing, consumer, telecommunications, military, aerospace, and medical markets.

We operate in six segments based on product functionality: MOSFETs, Diodes, Optoelectronic Components, Resistors, Inductors, and Capacitors.

We are focused on enhancing stockholder value by growing our business and improving earnings per share. Since 1985, we have pursued a business strategy of growth through focused research and development and acquisitions. We plan to continue to grow our business through intensified internal growth supplemented by opportunistic acquisitions, while at the same time maintaining a prudent capital structure. To foster intensified internal growth, we have increased our worldwide R&D and engineering technical staff; we are increasing our technical field sales force in Asia to increase our market access to the industrial segment and increase the design-in of our products in local markets; and we are directing increased funding and focus on developing products to capitalize on the connectivity, mobility, and sustainability growth drivers of our business. We are also investing in additional capital expenditures to expand key product lines. Over the next few years, we expect to experience higher growth rates than over the last decade. This expectation is based upon accelerated electrification, such as factory automation, electrical vehicles, and 5G infrastructure.

In addition to enhancing stockholder value through growing our business, on February 7, 2022, our Board of Directors adopted a Stockholder Return Policy, which calls for us to return at least 70% of free cash flow, net of scheduled principal payments of long-term debt, on an annual basis. See further discussion in "Stockholder Return Policy" below.

Our business and operating results have been and will continue to be impacted by worldwide economic conditions. Our revenues are dependent on end markets that are impacted by consumer and industrial demand, and our operating results can be adversely affected by reduced demand in those global markets. The worldwide economy and, specifically, our business were and continue to be impacted by the COVID-19 pandemic. While the wide-spread economic impact of the COVID-19 pandemic on Vishay was temporary as evidenced by our revenues since the beginning of 2021, similar disruptions have continued to occur on a more limited scale.

Our operations in the People's Republic of China, particularly in Shanghai, were impacted by COVID-19 government mandated shut-downs in the second fiscal quarter of 2022. These manufacturing facilities were temporarily closed and some were operating at levels less than full capacity. We incurred incremental costs separable from normal operations that are directly related to the government mandated shut-downs, primarily wages paid to manufacturing employees during the shut-downs, additional wages and hardship allowances for working during lockdown periods, and temporary housing for employees due to travel restrictions, which were partially offset by government subsidies. The net impact of the costs and subsidies are reported as cost of products sold ($6.7 million) and selling, general, and administrative expenses ($0.5 million) based on employee function on the consolidated condensed statement of operations for the nine fiscal months ended October 1, 2022. We exclude from the amounts reported above any expenses incurred outside of the People's Republic of China and all indirect financial changes from the COVID-19 pandemic such as general macroeconomic effects and higher shipping costs due to reduced shipping capacity. In this volatile economic environment, we continue to closely monitor our fixed costs, capital expenditure plans, inventory, and capital resources to respond to changing conditions and to ensure we have the management, business processes, and resources to meet our future needs. We will react quickly and professionally to changes in demand to minimize manufacturing inefficiencies and excess inventory build in periods of decline and maximize opportunities in periods of growth. We have significant liquidity to withstand temporary disruptions in the economic environment.

We utilize several financial metrics, including net revenues, gross profit margin, operating margin, segment operating margin, end-of-period backlog, book-to-bill ratio, inventory turnover, change in average selling prices, net cash and short-term investments (debt), and free cash generation to evaluate the performance and assess the future direction of our business. See further discussion in "Financial Metrics" and "Financial Condition, Liquidity, and Capital Resources" below. Despite ongoing global challenges and further accelerating inflation, net revenues and margins have increased versus the prior fiscal quarter and the prior year quarter. We continue to maximize manufacturing output at all facilities and increase critical manufacturing capacities. Partially due to the resumption of sales in the third fiscal quarter following government mandated shut-downs, the book-to-bill ratios and backlogs have decreased. Average selling prices remain stable after broad increases in prior periods.

Net revenues for the fiscal quarter ended October 1, 2022 were $924.8 million, compared to $863.5 million and $813.7 million for the fiscal quarters ended July 2, 2022 and October 2, 2021, respectively. The net earnings attributable to Vishay stockholders for the fiscal quarter ended October 1, 2022 were $140.1 million, or $0.98 per diluted share, compared to $112.4 million, or $0.78 per diluted share for the fiscal quarter ended July 2, 2022, and $96.8 million, or $0.67 per diluted share for the fiscal quarter ended October 2, 2021.

Net revenues for the nine fiscal months ended October 1, 2022 were $2,642.1 million, compared to $2,397.4 million for the nine fiscal months ended October 2, 2021. The net earnings attributable to Vishay stockholders for the nine fiscal months ended October 1, 2022 were $356.0 million, or $2.46 per diluted share, compared to $261.4 million, or $1.80 per diluted share for the nine fiscal months ended October 2, 2021.

We define adjusted net earnings as net earnings determined in accordance with GAAP adjusted for various items that management believes are not indicative of the intrinsic operating performance of our business. We define free cash as the cash flows generated from continuing operations less capital expenditures plus net proceeds from the sale of property and equipment. The reconciliations below include certain financial measures which are not recognized in accordance with GAAP, including adjusted net earnings, adjusted earnings per share, and free cash. These non-GAAP measures should not be viewed as alternatives to GAAP measures of performance or liquidity. Non-GAAP measures such as adjusted net earnings, adjusted earnings per share, and free cash do not have uniform definitions. These measures, as calculated by Vishay, may not be comparable to similarly titled measures used by other companies. Management believes that adjusted net earnings and adjusted earnings per share are meaningful because they provide insight with respect to our intrinsic operating results. Management believes that free cash is a meaningful measure of our ability to fund acquisitions, repay debt, and otherwise enhance stockholder value through stock repurchases or dividends. We utilize the free cash metric in defining our Stockholder Return Policy.

The items affecting comparability are (*in thousands, except per share amounts*):

	Fiscal quarters ended			**Nine fiscal months ended**	
	October 1, 2022	**July 2, 2022**	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
GAAP net earnings attributable to Vishay stockholders	**$ 140,061**	$ 112,388	$ 96,820	**$ 356,022**	$ 261,447
Reconciling items affecting gross income:					
Impact of COVID-19 pandemic	**$ -**	$ 6,661	$ -	**$ 6,661**	$ -
Other reconciling items affecting operating income:					
Impact of COVID-19 pandemic	**$ -**	$ 546	$ -	**$ 546**	$ -
Reconciling items affecting tax expense:					
Effects of changes in uncertain tax positions	**$ (5,941)**	$ -	$ -	$ **(5,941)**	$ -
Effects of changes in valuation allowances	**-**	-	(5,714)	**-**	(5,714)
Changes in tax laws and regulations	**-**	-	-	**-**	(8,276)
Tax effects of pre-tax items above	**-**	(1,802)	-	**(1,802)**	-
Adjusted net earnings	**$ 134,120**	$ 117,793	$ 91,106	**$ 355,486**	$ 247,457
Adjusted weighted average diluted shares outstanding	**143,447**	144,397	145,458	**144,470**	145,455
Adjusted earnings per diluted share	**$ 0.93**	$ 0.82	$ 0.63	**$ 2.46**	$ 1.70

The following table reconciles gross profit by segment to consolidated gross profit. Direct costs of the COVID-19 pandemic are not allocated to the segments as the chief operating decision maker's evaluation of segment performance does not include these costs.

	Fiscal quarters ended			**Nine fiscal months ended**	
	October 1, 2022	**July 2, 2022**	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
MOSFETs	**$ 83,121**	$ 55,438	$ 53,868	**$ 197,305**	$ 138,410
Diodes	**56,339**	53,369	46,756	**155,495**	122,929
Optoelectronic Components	**25,959**	26,430	23,810	**84,820**	73,958
Resistors	**68,461**	70,532	49,729	**204,015**	161,631
Inductors	**25,692**	29,690	26,857	**80,231**	83,288
Capacitors	**29,966**	32,425	24,716	**94,664**	77,741
Unallocated gross profit (loss)	**-**	(6,661)	-	**(6,661)**	-
Gross profit	**$ 289,538**	$ 261,223	$ 225,736	**$ 809,869**	$ 657,957

Although the term "free cash" is not defined in GAAP, each of the elements used to calculate free cash for the year-to-date period is presented as a line item on the face of our consolidated condensed statement of cash flows prepared in accordance with GAAP and the quarterly amounts are derived from the year-to-date GAAP statements as of the beginning and end of the respective quarter.

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	**July 2, 2022**	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Net cash provided by continuing operating activities	**$ 209,480**	$ 74,727	$ 135,669	**$ 317,792**	$ 310,452
Proceeds from sale of property and equipment	**95**	305	1,023	**472**	1,257
Less: Capital expenditures	**(76,475)**	(59,791)	(57,446)	**(172,175)**	(118,156)
Free cash	**$ 133,100**	$ 15,241	$ 79,246	**$ 146,089**	$ 193,553

Our results for the fiscal quarters ended October 1, 2022, July 2, 2022, and October 2, 2021 represent the continuation of the favorable business conditions that we have been experiencing. Our percentage of euro-based sales approximates our percentage of euro-based expenses so the foreign currency impact on revenues was substantially offset by the impact on expenses. Our pre-tax results were consistent with expectations based on our business model.

Our free cash results were significantly impacted by a temporary inventory build in 2022, the installment payments of the U.S. transition tax of $14.8 million in the second fiscal quarters of 2022 and 2021, and $25.2 million of payments of foreign, withholding, and claw-back cash taxes on foreign earnings in Israel for the net $81.2 million that was repatriated to the U.S. in the second fiscal quarter of 2022.

Stockholder Return Policy

On February 7, 2022, our Board of Directors adopted a Stockholder Return Policy, which calls for us to return at least 70% of free cash flow, net of scheduled principal payments of long-term debt, on an annual basis. We intend to return such amounts to stockholders directly, in the form of dividends, or indirectly, in the form of stock repurchases.

The following table summarizes activity pursuant to this policy *(in thousands):*

	Fiscal quarter ended October 1, 2022	Nine fiscal months ended October 1, 2022
Dividends paid to stockholders	$ 14,254	$ 43,062
Stock repurchases	18,510	54,671
Total	$ 32,764	$ 97,733

As a direct result of a change in tax law in Israel, we made the determination during the fourth quarter of 2021 that substantially all unremitted foreign earnings in Israel are no longer permanently reinvested. We intend to primarily utilize these earnings, distributed from Israel to the United States, to initially fund our Stockholder Return Program. We repatriated net $81.2 million to the United States from Israel during the second fiscal quarter of 2022. The repatriated cash is being used to fund our Stockholder Return Policy.

Over the long-term, we expect to fund the Stockholder Return Policy from our historically strong cash flows from operations. However, because most of our operating cash flow is typically generated by our non-U.S. subsidiaries, we may in the future need to change our permanent reinvestment assertion on current earnings of certain subsidiaries, which would have the effect of increasing the effective tax rate. Substantially all of these additional taxes would be withholding and foreign taxes on cash remitted to the U.S., as such dividends are generally not subject to U.S. federal income tax.

The structure of our newly adopted Stockholder Return Policy enables us to allocate capital responsibly among our business, our lenders, and our stockholders. We will continue to invest in growth initiatives including key product line expansions, targeted R&D, and synergistic acquisitions.

We have paid dividends each quarter since the first quarter of 2014, and the Stockholder Return Policy will remain in effect until such time as the Board votes to amend or rescind the policy. Implementation of the Stockholder Return Policy is subject to future declarations of dividends by the Board of Directors, market and business conditions, legal requirements, and other factors. The policy sets forth our intention, but does not obligate us to acquire any shares of common stock or declare any dividends, and the policy may be terminated or suspended at any time at our discretion, in accordance with applicable laws and regulations.

Financial Metrics

We utilize several financial metrics to evaluate the performance and assess the future direction of our business. These key financial measures and metrics include net revenues, gross profit margin, operating margin, segment operating income, segment operating margin, end-of-period backlog, and the book-to-bill ratio. We also monitor changes in inventory turnover and our or publicly available average selling prices (“ASP”).

Gross profit margin is computed as gross profit as a percentage of net revenues. Gross profit is generally net revenues less costs of products sold, but also deducts certain other period costs, particularly losses on purchase commitments and inventory write-downs. Losses on purchase commitments and inventory write-downs have the impact of reducing gross profit margin in the period of the charge, but result in improved gross profit margins in subsequent periods by reducing costs of products sold as inventory is used. We also regularly evaluate gross profit by segment to assist in the analysis of consolidated gross profit. Gross profit margin and gross profit margin by segment are clearly a function of net revenues, but also reflect our cost management programs and our ability to contain fixed costs.

Operating margin is computed as gross profit less operating expenses, expressed as a percentage of net revenues. Operating margin is clearly a function of net revenues, but also reflects our cost management programs and our ability to contain fixed costs.

Our chief operating decision maker makes decisions, allocates resources, and evaluates business segment performance based on segment operating income. Only dedicated, direct selling, general, and administrative ("SG&A") expenses of the segments are included in the calculation of segment operating income. We do not allocate certain SG&A expenses that are managed at the regional or corporate global level to our segments. Accordingly, segment operating income excludes these SG&A expenses that are not directly traceable to the segments. Segment operating income would also exclude costs not routinely used in the management of the segments in periods when those items are present, such as restructuring and severance costs, the direct impact of the COVID-19 pandemic, and other items affecting comparability. Segment operating income is clearly a function of net revenues, but also reflects our cost management programs and our ability to contain fixed costs. Segment operating margin is segment operating income expressed as a percentage of net revenues.

End-of-period backlog is one indicator of future revenues. We include in our backlog only open orders that we expect to ship in the next twelve months. If demand falls below customers’ forecasts, or if customers do not control their inventory effectively, they may cancel or reschedule the shipments that are included in our backlog, in many instances without the payment of any penalty. Therefore, the backlog is not necessarily indicative of the results to be expected for future periods.

An important indicator of demand in our industry is the book-to-bill ratio, which is the ratio of the amount of product ordered during a period as compared with the product that we ship during that period. A book-to-bill ratio that is greater than one indicates that our backlog is building and that we are likely to see increasing revenues in future periods. Conversely, a book-to-bill ratio that is less than one is an indicator of declining demand and may foretell declining revenues.

We focus on our inventory turnover as a measure of how well we are managing our inventory. We define inventory turnover for a financial reporting period as our costs of products sold for the four fiscal quarters ending on the last day of the reporting period divided by our average inventory (computed using each fiscal quarter-end balance) for this same period. A higher level of inventory turnover reflects more efficient use of our capital.

Pricing in our industry can be volatile. Using our and publicly available data, we analyze trends and changes in average selling prices to evaluate likely future pricing. The erosion of average selling prices of established products is typical for semiconductor products. We attempt to offset this deterioration with ongoing cost reduction activities and new product introductions. Our specialty passive components are more resistant to average selling price erosion. All pricing is subject to governing market conditions and is independently set by us.

The quarter-to-quarter trends in these financial metrics can also be an important indicator of the likely direction of our business. The following table shows net revenues, gross profit margin, operating margin, end-of-period backlog, book-to-bill ratio, inventory turnover, and changes in ASP for our business as a whole during the five fiscal quarters beginning with the third fiscal quarter of 2021 through the third fiscal quarter of 2022 *(dollars in thousands)*:

	3rd Quarter 2021	4th Quarter 2021	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022
Net revenues	$ 813,663	$ 843,072	$ 853,793	$ 863,512	$ 924,798
Gross profit margin(1)	27.7%	27.3%	30.3%	30.3%	31.3%
Operating margin(2)	15.2%	14.4%	17.1%	17.5%	19.8%
End-of-period backlog	$ 2,243,900	$ 2,306,500	$ 2,416,700	$ 2,425,200	$ 2,261,400
Book-to-bill ratio	1.26	1.09	1.14	1.07	0.88
Inventory turnover	4.5	4.5	4.2	3.8	4.1
Change in ASP vs. prior quarter	1.3%	1.3%	2.4%	2.9%	0.0%

(1) Gross margin for the second fiscal quarter of 2022 includes $6.7 million of expenses directly related to the COVID-19 pandemic (see Note 3 to our consolidated condensed financial statements).
(2) Operating margin for the second fiscal quarter of 2022 includes $7.2 million of expenses directly related to the COVID-19 pandemic (see Note 3 to our consolidated condensed financial statements).

See “Financial Metrics by Segment” below for net revenues, book-to-bill ratio, and gross profit margin broken out by segment.

Revenues increased significantly versus the third fiscal quarter of 2021 primarily due to higher volume and higher average selling prices. Revenues increased slightly versus the prior fiscal quarter primarily due to higher volume. The increased volume is partially due to operations and sales resuming following the two-month government mandated COVID-19 shut-down of our manufacturing facilities in Shanghai, People's Republic of China that significantly impacted our semiconductor segments in the second fiscal quarter of 2022. The book-to-bill ratio and backlog were negatively impacted by the catch-up in sales during the third fiscal quarter. We continue to increase manufacturing capacity for critical product lines. Average selling prices were stable in the third fiscal quarter following broad price increases that we implemented in prior periods across the product portfolio to offset increased materials and transportation costs and accelerating general inflation.

Gross profit margin increased versus prior fiscal quarter and the second fiscal quarter of 2021. The increase versus the prior fiscal quarter is primarily due to higher volume. The increase versus the third fiscal quarter of 2021 is primarily due to higher average selling prices and higher volume.

The book-to-bill ratio in the third fiscal quarter of 2022 decreased to 0.88 versus 1.07 in the second fiscal quarter of 2022. The book-to-bill ratio was negatively impacted by the catch-up in semiconductor sales during the third fiscal quarter. The book-to-bill ratios in the third fiscal quarter of 2022 for distributors and original equipment manufacturers ("OEM") were 0.77 and 1.03, respectively, versus ratios of 1.05 and 1.11, respectively, during the second fiscal quarter of 2022.

For the fourth fiscal quarter of 2022, we anticipate revenues between $860 million and $900 million at a gross margin of 30.0% plus/minus 50 basis points.

Financial Metrics by Segment

The following table shows net revenues, book-to-bill ratio, gross profit margin, and segment operating margin broken out by segment for the five fiscal quarters beginning with the third fiscal quarter of 2021 through the third fiscal quarter of 2022 *(dollars in thousands)*:

	3rd Quarter 2021	4th Quarter 2021	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022
MOSFETs					
Net revenues	$ 175,499	$ 171,339	$ 172,674	$ 158,395	$ 225,186
Book-to-bill ratio	1.19	1.01	1.28	1.14	0.78
Gross profit margin	30.7%	30.1%	34.0%	35.0%	36.9%
Segment operating margin	24.9%	23.5%	28.1%	28.2%	31.9%
Diodes					
Net revenues	$ 185,306	$ 192,117	$ 182,334	$ 192,083	$ 209,012
Book-to-bill ratio	1.31	1.10	1.16	1.10	0.79
Gross profit margin	25.2%	23.7%	25.1%	27.8%	27.0%
Segment operating margin	22.3%	20.6%	22.2%	25.3%	24.6%
Optoelectronic Components					
Net revenues	$ 70,750	$ 78,398	$ 81,016	$ 77,936	$ 73,447
Book-to-bill ratio	1.36	1.22	0.78	0.86	0.57
Gross profit margin	33.7%	34.2%	40.0%	33.9%	35.3%
Segment operating margin	27.9%	27.2%	34.8%	28.7%	30.0%
Resistors					
Net revenues	$ 181,189	$ 190,041	$ 207,032	$ 213,176	$ 207,437
Book-to-bill ratio	1.26	1.14	1.24	1.05	1.08
Gross profit margin	27.4%	28.5%	31.4%	33.1%	33.0%
Segment operating margin	24.0%	25.6%	28.1%	29.9%	29.7%
Inductors					
Net revenues	$ 84,816	$ 81,825	$ 82,777	$ 89,608	$ 83,503
Book-to-bill ratio	1.11	1.13	1.14	0.97	1.02
Gross profit margin	31.7%	29.4%	30.0%	33.1%	30.8%
Segment operating margin	28.7%	26.4%	26.8%	30.0%	27.0%
Capacitors					
Net revenues	$ 116,103	$ 129,352	$ 127,960	$ 132,314	$ 126,213
Book-to-bill ratio	1.37	1.04	1.02	1.17	0.95
Gross profit margin	21.3%	21.6%	25.2%	24.5%	23.7%
Segment operating margin	17.2%	17.7%	21.4%	20.9%	20.1%

Acquisition Activity

As part of its growth strategy, the Company seeks to expand through targeted acquisitions of other manufacturers of electronic components. These acquisition targets include businesses that have established positions in major markets, reputations for product quality and reliability, and product lines with which the Company has substantial marketing and technical expertise. It also includes certain businesses that possess technologies which the Company expects to further develop and commercialize. To limit our financial exposure, we have implemented a policy not to pursue acquisitions if our post-acquisition debt would exceed 2.5x our pro forma earnings before interest, taxes, depreciation, and amortization ("EBITDA"). For these purposes, we calculate pro forma EBITDA as the adjusted EBITDA of Vishay and the target for Vishay's four preceding fiscal quarters, with a pro forma adjustment for savings which management estimates would have been achieved had the target been acquired by Vishay at the beginning of the four fiscal quarter period.

Subsequent Event

On October 28, 2022, we acquired MaxPower Semiconductor, Inc. ("MaxPower"), a San Jose, California-based fabless power semiconductor provider dedicated to delivering innovative and cost-effective technologies that optimize power management solutions. MaxPower's proprietary device structures and process techniques provide leading edge silicon and silicon carbide ("SiC") MOSFET products. Its SiC product development targets automotive and industrial applications.

We paid cash of $50.0 million, net of cash acquired, at closing. Related to the transaction, we may also be required to make certain contingent payments of up to $57.5 million, which would be payable upon the achievement of certain technology milestones and the occurrence of certain non-operating events. The purchase price for U.S. GAAP purposes will include the fair value, as of the acquisition date, of certain future contingent payments. To the extent contingent payments are deemed compensatory in nature, such payments will be recognized as expense in future periods, and will thus not be included in the U.S. GAAP purchase price.

There is no assurance that we will be able to identify and acquire additional suitable acquisition candidates at price levels and on terms and conditions we consider acceptable.

Results of Operations

Statements of operations' captions as a percentage of net revenues and the effective tax rates were as follows:

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	July 2, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Cost of products sold	68.7%	69.7%	72.3%	69.3%	72.6%
Gross profit	31.3%	30.3%	27.7%	30.7%	27.4%
Selling, general & administrative expenses	11.5%	12.8%	12.6%	12.5%	13.0%
Operating income	19.8%	17.5%	15.2%	18.2%	14.4%
Income before taxes and noncontrolling interest	19.6%	17.1%	14.3%	17.6%	13.4%
Net earnings attributable to Vishay stockholders	15.1%	13.0%	11.9%	13.5%	10.9%
________					
Effective tax rate	22.4%	23.8%	16.6%	23.2%	18.3%

Net Revenues

Net revenues were as follows *(dollars in thousands)*:

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	July 2, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net revenues	$ 924,798	$ 863,512	$ 813,663	$ 2,642,103	$ 2,397,415

The change in net revenues versus the comparable prior periods was as follows *(dollars in thousands)*:

	Fiscal quarter ended October 1, 2022		Nine fiscal months ended October 1, 2022	
	Change in net revenues	% change	Change in net revenues	% change
July 2, 2022	$ 61,286	7.1%	n/a	n/a
October 2, 2021	$ 111,135	13.7%	$ 244,688	10.2%

Changes in net revenues were attributable to the following:

	vs. Prior Quarter	vs. Prior Year Quarter	vs. Prior Year-to-Date
Change attributable to:			
Increase in volume	9.1%	10.1%	6.1%
Change in average selling prices	0.0%	8.0%	7.4%
Foreign currency effects	-1.7%	-5.4%	-4.1%
Acquisition	0.0%	0.3%	0.4%
Other	-0.3%	0.7%	0.4%
Net change	7.1%	13.7%	10.2%

We continue to experience good economic conditions while we continue to increase critical manufacturing capacities. Average selling prices were stable in the third fiscal quarter following broad price increases implemented across the product portfolio in prior periods. Net revenues increased significantly versus the prior fiscal quarter and the prior year periods primarily due to increases in volume and increases in average selling prices versus the prior year periods. Volume in the third fiscal quarter of 2022 was positively impacted by the resumption of operations and sales following a two-month government mandated shut-down of two facilities in Shanghai, People's Republic of China, in response to the COVID-19 pandemic in the second fiscal quarter.

Gross Profit Margins

Gross profit margins for the fiscal quarter ended October 1, 2022 were 31.3%, versus 30.3% and 27.7%, for the comparable prior quarter and prior year period, respectively. Gross profit margins for the nine fiscal months ended October 1, 2022 were 30.7%, versus 27.4% for the comparable prior year period. The increases versus the prior year periods are primarily due to higher average selling prices and increased volume, partially offset by inflationary impacts, particularly increased metals and transportation costs, and negative exchange rate impacts. The gross profit margin increased versus the prior fiscal quarter primarily due to increased volume, partially offset by inflationary impacts, particularly increased metals and transportation costs and the negative impact of an inventory decrease.

Segments

Analysis of revenues and margins for our segments is provided below. Direct costs of the COVID-19 pandemic are not allocated to the segments.

<u>*MOSFETs*</u>

Net revenues, gross profit margins, and segment operating margins of the MOSFETs segment were as follows *(dollars in thousands):*

	Fiscal quarters ended			**Nine fiscal months ended**	
	October 1, 2022	**July 2, 2022**	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Net revenues	$ 225,186	$ 158,395	$ 175,499	$ 556,255	$ 496,659
Gross profit margin	36.9%	35.0%	30.7%	35.5%	27.9%
Segment operating margin	31.9%	28.2%	24.9%	29.7%	21.8%

The change in net revenues versus the comparable prior periods was as follows *(dollars in thousands)*:

	Fiscal quarter ended October 1, 2022		**Nine fiscal months ended October 1, 2022**	
	Change in net revenues	**% change**	**Change in net revenues**	**% change**
July 2, 2022	$ 66,791	42.2%	n/a	n/a
October 2, 2021	$ 49,687	28.3%	$ 59,596	12.0%

Changes in MOSFETs segment net revenues were attributable to the following:

	vs. Prior Quarter	**vs. Prior Year Quarter**	**vs. Prior Year-to-Date**
Change attributable to:			
Increase in volume	44.9%	18.2%	2.8%
Increase in average selling prices	0.1%	10.9%	11.3%
Foreign currency effects	-1.3%	-3.7%	-2.4%
Other	-1.5%	2.9%	0.3%
Net change	42.2%	28.3%	12.0%

The MOSFET segment net revenues increased significantly versus the prior fiscal quarter and the prior year periods. The increases versus the prior fiscal quarter and prior year quarter are primarily due to increased volume as operations and sales resumed following the two-month government mandated COVID-19 shut-down in Shanghai, People's Republic of China that required an almost complete closure of our main manufacturing facility in the second fiscal quarter of 2022. Increased average selling prices are the primary factor for the increase versus the prior year-to-date period and also contributed to the increase versus the prior year quarter. All regions and sales channels, particularly distribution customers in the Americas region, contributed to the increased revenue.

Gross profit margin increased versus the prior fiscal quarter and especially versus the prior year periods. The increase versus the prior fiscal quarter was primarily due to increased sales volume, partially offset by the negative impact of an inventory decrease following the resumption of operations and sales in Shanghai, People's Republic of China in the third fiscal quarter. The increases versus the prior year periods were primarily due to increased average selling prices, increased sales volume, and a positive change in the sales mix toward more profitable products such as ICs.

The segment operating margin increased versus the prior fiscal quarter and prior year periods. The increases are primarily due to increased gross profit. Increased segment SG&A expenses primarily due to increased R&D activity limited the increases.

Average selling prices were flat versus the prior fiscal quarter, but increased versus the prior year periods due to the strategic price increases implemented in prior periods.

We continue to invest to expand mid- and long-term manufacturing capacity for strategic product lines. We have begun building a 12-inch wafer fab in Itzehoe, Germany adjacent to our existing 8-inch wafer fab, which we expect will increase our in-house wafer capacity by approximately 70% within 3-4 years and allow us to balance our in-house and foundry wafer supply.

Diodes

Net revenues, gross profit margins, and segment operating margins of the Diodes segment were as follows *(dollars in thousands):*

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	July 2, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net revenues	$ 209,012	$ 192,083	$ 185,306	$ 583,429	$ 517,299
Gross profit margin	27.0%	27.8%	25.2%	26.7%	23.8%
Segment operating margin	24.6%	25.3%	22.3%	24.0%	20.5%

The change in net revenues versus the comparable prior periods was as follows *(dollars in thousands)*:

	Fiscal quarter ended October 1, 2022		Nine fiscal months ended October 1, 2022	
	Change in net revenues	% change	Change in net revenues	% change
July 2, 2022	$ 16,929	8.8%	n/a	n/a
October 2, 2021	$ 23,706	12.8%	$ 66,130	12.8%

Changes in Diodes segment net revenues were attributable to the following:

	vs. Prior Quarter	vs. Prior Year Quarter	vs. Prior Year-to-Date
Change attributable to:			
Increase in volume	10.6%	6.5%	4.9%
Change in average selling prices	-0.1%	10.7%	11.0%
Foreign currency effects	-1.6%	-4.9%	-3.7%
Other	-0.1%	0.5%	0.6%
Net change	8.8%	12.8%	12.8%

Net revenues of the Diodes segment increased significantly versus the prior fiscal quarter and the prior year periods. Most end markets and customer channels contributed to the increases. The increase versus the prior fiscal quarter is also due to increased volume as operations and sales resumed following extended government mandated COVID-19 shut-downs of our manufacturing facilities in the People's Republic of China, particularly Shanghai, in the second fiscal quarter. The increases were negatively impacted by increased inventory at distribution customers in Asia.

Gross profit margin decreased versus the prior fiscal quarter, but increased versus the prior year periods. The decrease versus the prior fiscal quarter is due to the negative impact of an inventory decrease following the resumption of operations and sales in Shanghai, People's Republic of China in the third fiscal quarter and cost inflation, partially offset by increased sales volume. The increases versus the prior year periods are primarily due to increased average selling prices, our cost reduction measures, and increases in sales volume, partially offset by significant cost inflation.

The segment operating margin decreased versus the prior fiscal quarter, but increased versus the prior year periods. The fluctuations are primarily due to gross profit fluctuations. The impact of a weaker euro decreased segment SG&A expenses, particularly versus the prior year periods.

Average selling prices decreased versus the prior fiscal quarter, but remain significantly higher than the prior year periods due to the strategic price increases implemented across the product portfolio in prior periods.

Optoelectronic Components

Net revenues, gross profit margins, and segment operating margins of the Optoelectronic Components segment were as follows *(dollars in thousands):*

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	July 2, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net revenues	$ 73,447	$ 77,936	$ 70,750	$ 232,399	$ 224,316
Gross profit margin	35.3%	33.9%	33.7%	36.5%	33.0%
Segment operating margin	30.0%	28.7%	27.9%	31.2%	27.2%

The change in net revenues versus the comparable prior periods was as follows *(dollars in thousands)*:

	Fiscal quarter ended October 1, 2022		Nine fiscal months ended October 1, 2022	
	Change in net revenues	% change	Change in net revenues	% change
July 2, 2022	$ -4,489	-5.8%	n/a	n/a
October 2, 2021	$ 2,697	3.8%	8,083	3.6%

Changes in Optoelectronic Components segment net revenues were attributable to the following:

	vs. Prior Quarter	vs. Prior Year Quarter	vs. Prior Year-to-Date
Change attributable to:			
Change in volume	-3.0%	5.2%	1.1%
Change in average selling prices	-0.5%	5.7%	7.6%
Foreign currency effects	-1.9%	-6.4%	-4.8%
Other	-0.4%	-0.7%	-0.3%
Net change	-5.8%	3.8%	3.6%

Net revenues of our Optoelectronic Components segment decreased versus the prior fiscal quarter, but increased moderately versus the prior year periods. The decrease versus the prior fiscal quarter is primarily due to decreased sales to customers in the Asia and Europe regions, particularly distributor customers, partially offset by increased sales to customers in the Americas region, particularly distributor customers. The increases versus the prior year periods were due to a significant increase in sales to customers in the Americas and Europe regions, partially offset by significant decrease in sales to customers in the Asia region. The increases versus the prior year periods were primarily due to increased average selling prices and volume, partially offset by negative foreign currency impacts.

Gross profit margin increased versus the prior fiscal quarter and the prior year periods. The increase versus the prior fiscal quarter is primarily due to the positive impact of an inventory increase. The increases versus the prior year periods are primarily due to higher average selling prices, a more profitable product mix, and our cost reduction measures, partially offset by cost inflation.

The segment operating margin increased versus the prior fiscal quarter and the prior year periods. The fluctuations are primarily due to fluctuations in gross profit margin. Decreased segment SG&A expenses, primarily due to the weaker euro, positively impacted the segment operating margin.

Average selling prices decreased versus the prior fiscal quarter, but remain higher than the prior year periods due to the strategic price increases implemented across the product portfolio in prior periods.

We are now using our recently modernized and expanded wafer fab in Heilbronn, Germany.

Resistors

Net revenues, gross profit margins, and segment operating margins of the Resistors segment were as follows *(dollars in thousands):*

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	July 2, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net revenues	$ 207,437	$ 213,176	$ 181,189	$ 627,645	$ 562,513
Gross profit margin	33.0%	33.1%	27.4%	32.5%	28.7%
Segment operating margin	29.7%	29.9%	24.0%	29.2%	25.3%

The change in net revenues versus the comparable prior periods was as follows *(dollars in thousands)*:

	Fiscal quarter ended October 1, 2022		Nine fiscal months ended October 1, 2022	
	Change in net revenues	% change	Change in net revenues	% change
July 2, 2022	$ -5,739	-2.7%	n/a	n/a
October 2, 2021	$ 26,248	14.5%	$ 65,132	11.6%

Changes in Resistors segment net revenues were attributable to the following:

	vs. Prior Quarter	vs. Prior Year Quarter	vs. Prior Year-to-Date
Change attributable to:			
Change in volume	-1.4%	12.5%	10.7%
Increase in average selling prices	0.8%	7.7%	4.7%
Foreign currency effects	-2.1%	-7.6%	-5.7%
Acquisition	0.0%	1.4%	1.7%
Other	0.0%	0.5%	0.2%
Net change	-2.7%	14.5%	11.6%

Net revenues of the Resistors segment decreased slightly versus the prior fiscal quarter, but increased significantly versus the prior year periods. The decrease versus the prior fiscal quarter is primarily due to decreased sales to customers in all regions, particularly the Europe region, and military and aerospace, industrial, and distributor customers, which was partially offset by increased sales to EMS customers. The increase versus the prior year periods is primarily due to increased sales to customers in all regions, particularly the Americas region, distributor and EMS customers, partially offset by decreased sales to automotive end market customers. Increased sales to industrial end market customers also contributed to the increase versus the prior year-to-date period. The acquisition of Barry Industries also contributed to the increase in net revenues versus the prior year periods.

The gross profit margin decreased slightly versus the prior fiscal quarter, but increased versus the prior year periods. The slight decrease versus the prior fiscal quarter is primarily due to wage inflation, negative foreign currency exchange rate impacts, and higher fixed costs, mostly offset by increased average selling prices, lower metal prices, and improved efficiencies. The increases versus the prior year periods are primarily due to increased sales volume, higher average selling prices, cost reductions, and greater efficiencies, partially offset by fixed cost increases, metal price increases, increased material procurement costs, increased labor costs, and negative foreign currency exchange rate impacts.

The segment operating margin decreased slightly versus the prior fiscal quarter, but increased versus the prior year periods. The fluctuations are primarily due to fluctuations in gross profit.

Average selling prices increased versus the prior fiscal quarter and prior year periods.

We are increasing critical manufacturing capacities for certain product lines. We continue to broaden our business with targeted acquisitions of specialty resistors businesses, such as Barry Industries.

Inductors

Net revenues, gross profit margins, and segment operating margins of the Inductors segment were as follows *(dollars in thousands):*

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	July 2, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net revenues	$ 83,503	$ 89,608	$ 84,816	$ 255,888	$ 253,813
Gross profit margin	30.8%	33.1%	31.7%	31.4%	32.8%
Segment operating margin	27.0%	30.0%	28.7%	28.0%	29.9%

The change in net revenues versus the comparable prior periods was as follows *(dollars in thousands)*:

	Fiscal quarter ended October 1, 2022		Nine fiscal months ended October 1, 2022	
	Change in net revenues	% change	Change in net revenues	% change
July 2, 2022	$ -6,105	-6.8%	n/a	n/a
October 2, 2021	$ -1,313	-1.5%	$ 2,075	0.8%

Changes in net revenues were attributable to the following:

	vs. Prior Quarter	vs. Prior Year Quarter	vs. Prior Year-to-Date
Change attributable to:			
Change in volume	-6.1%	-0.8%	1.1%
Change in average selling prices	-0.1%	1.6%	1.5%
Foreign currency effects	-0.8%	-2.2%	-1.8%
Other	0.2%	-0.1%	0.0%
Net change	-6.8%	-1.5%	0.8%

Net revenues of the Inductors segment decreased versus the prior fiscal quarter and the prior year quarter, but increased versus the prior year-to-date period. The decrease versus the prior fiscal quarter is primarily due to decreased sales to customers in all regions, particularly the Europe region, and decreased sales to distributor customers, partially offset by increased sales to EMS customers. The decrease versus the prior year quarter is primarily due to decreased sales to customers in the Asia region and distribution customers, partially offset by increased sales to customers in the Americas and Europe regions and increased sales to EMS customers and industrial end market customers. The increase versus the prior year-to-date period is primarily due to increased sales to customers in the Americas and Europe regions, EMS customers and military and aerospace and automotive end market customers. The increase versus the prior year-to-date period is also due to increased sales to distributor and EMS customers, and military and aerospace end market customers, partially offset by decreased sales to customers in the Asia region, decreased sales to distributor customers, and decreased sales to automotive and industrial end market customers.

The gross profit margin decreased versus the prior fiscal quarter and the prior year periods. The decrease versus the prior fiscal quarter is primarily due to lower sales volume, inefficiencies, and increased material prices, partially offset by lower logistics costs and other cost savings measures. The decrease versus the prior year quarter is primarily due to increased labor and material costs, inefficiencies, and negative foreign currency exchange rate impacts, partially offset by increased average selling prices. The decrease versus the prior year-to-date period is primarily due to increased logistics, labor, and material costs, inefficiencies, and negative foreign currency exchange rate impacts, partially offset by higher sales volume, increased average selling prices. and other cost reduction measures.

The segment operating margin decreased versus the prior fiscal quarter and the prior year periods. The decreases are primarily due to gross profit decreases.

Average selling prices decreased versus the prior fiscal quarter, but increased versus the prior year periods.

We expect long-term growth in this segment, and are continuously expanding manufacturing capacity for certain product lines and evaluating acquisition opportunities, particularly of specialty businesses.

Capacitors

Net revenues, gross profit margins, and segment operating margins of the Capacitors segment were as follows *(dollars in thousands):*

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	July 2, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net revenues	$ 126,213	$ 132,314	$ 116,103	$ 386,487	$ 342,815
Gross profit margin	23.7%	24.5%	21.3%	24.5%	22.7%
Segment operating margin	20.1%	20.9%	17.2%	20.8%	18.2%

The change in net revenues versus the comparable prior periods was as follows *(dollars in thousands)*:

	Fiscal quarter ended October 1, 2022		Nine fiscal months ended October 1, 2022	
	Change in net revenues	% change	Change in net revenues	% change
July 2, 2022	$ -6,101	-4.6%	n/a	n/a
October 2, 2021	$ 10,110	8.7%	$ 43,672	12.7%

Changes in Capacitors segment net revenues were attributable to the following:

	vs. Prior Quarter	vs. Prior Year Quarter	vs. Prior Year-to-Date
Change attributable to:			
Change in volume	-1.7%	10.3%	13.1%
Change in average selling prices	-1.2%	5.5%	5.2%
Foreign currency effects	-2.1%	-7.2%	-5.7%
Other	0.4%	0.1%	0.1%
Net change	-4.6%	8.7%	12.7%

Net revenues of the Capacitors segment decreased versus the prior fiscal quarter, but increased significantly versus the prior year periods. The decrease versus the prior fiscal quarter is primarily due to decreased sales to customers in all regions, distributor customers, and industrial end market customers, partially offset by increased sales to automotive end market customers. The increase versus the prior year quarter is primarily due to increased sales to customers in the Americas and Asia regions, EMS customers, and industrial end market customers, partially offset by decreased sales to customers in the Europe region. The increase versus the prior year-to-date period is primarily due to increased sales to customers in all regions, particularly the Americas region, distributor and EMS customers, and industrial end market customers, partially offset by decreased sales to automotive end market customers.

The gross profit margin decreased versus the prior fiscal quarter, but increased versus the prior year periods. The decrease versus the prior fiscal quarter is primarily due to lower sales volume, decreased average selling prices, and increased materials and utilities costs, partially offset by favorable product mix and decreased metals costs. The increases versus the prior year periods are primarily due to higher sales volume, increased average selling prices, and favorable product mix, partially offset by increased materials and labor costs, higher fixed costs, and manufacturing inefficiencies.

The segment operating margin decreased versus the prior fiscal quarter, but increased versus the prior year periods. The fluctuations are primarily due to gross profit fluctuations.

Average selling prices decreased versus the prior fiscal quarter, but increased versus the prior year periods.

Selling, General, and Administrative Expenses

Selling, general, and administrative ("SG&A") expenses are summarized as follows *(dollars in thousands):*

	Fiscal quarters ended			Nine fiscal months ended	
	October 1, 2022	**July 2, 2022**	**October 2, 2021**	**October 1, 2022**	**October 2, 2021**
Total SG&A expenses	$ 106,436	$ 110,400	$ 102,215	$ 329,691	$ 311,800
as a percentage of revenues	11.5%	12.8%	12.6%	12.5%	13.0%

The sequential decrease in SG&A expenses is primarily attributable to foreign currency exchange impacts. SG&A expenses increased versus the prior year periods due to cost inflation.

Other Income (Expense)

Interest expense for the fiscal quarter ended October 1, 2022 decreased $0.2 million versus the fiscal quarter ended July 2, 2022 and decreased $0.3 million versus the fiscal quarter ended October 2, 2021. Interest expense for the nine fiscal months ended October 1, 2022 decreased by $0.6 million versus the nine fiscal months ended October 2, 2021.

The following tables analyze the components of the line "Other" on the consolidated condensed statements of operations *(in thousands):*

	Fiscal quarters ended		
	October 1, 2022	**October 2, 2021**	**Change**
Foreign exchange gain (loss)	$ 4,462	$ 325	$ 4,137
Interest income	1,836	295	1,541
Other components of net periodic pension expense	(2,704)	(3,257)	553
Investment income	(1,462)	(41)	(1,421)
Other	5	(1)	6
	$ 2,137	$ (2,679)	$ 4,816

	Fiscal quarters ended		
	October 1, 2022	**July 2, 2022**	**Change**
Foreign exchange gain (loss)	$ 4,462	$ 6,514	$ (2,052)
Interest income	1,836	789	1,047
Other components of net periodic pension expense	(2,704)	(2,803)	99
Investment income (expense)	(1,462)	(2,858)	1,396
Other	5	(262)	267
	$ 2,137	$ 1,380	$ 757

	Nine fiscal months ended		
	October 1, 2022	**October 2, 2021**	**Change**
Foreign exchange gain (loss)	$ 10,695	$ (2,110)	$ 12,805
Interest income	3,186	907	2,279
Other components of net periodic pension expense	(8,417)	(9,864)	1,447
Investment income (expense)	(7,436)	(1,107)	(6,329)
Other	(262)	15	(277)
	$ (2,234)	$ (12,159)	$ 9,925

Income Taxes

For the fiscal quarter ended October 1, 2022, our effective tax rate was 22.4%, as compared to 23.8% and 16.6% for the fiscal quarters ended July 2, 2022 and October 2, 2021, respectively. For the nine fiscal months ended October 1, 2022, our effective tax rate was 23.2%, as compared to 18.3% for the nine fiscal months ended October 2, 2021. With the reduction in the U.S. statutory rate to 21% beginning January 1, 2018, we expect that our effective tax rate will be higher than the U.S. statutory rate, excluding unusual transactions. Discrete tax items of $(5.9) million (tax benefits) and $(5.7) million (tax benefits) impacted our effective tax rate for the fiscal quarters ended October 1, 2022 and October 2, 2021, respectively. Discrete tax items of $(5.9) million (tax benefits) and $(14.0) million (tax benefits) impacted our effective tax rate for the nine fiscal months ended October 1, 2022 and October 2, 2021, respectively.

We recognized tax benefits of $5.9 million in the third fiscal quarter of 2022 for changes in uncertain tax positions following the resolution of a tax audit.

We repatriated $81.2 million to the United States in the second fiscal quarter of 2022 pursuant to the repatriation program initiated in response to a change in Israeli tax law. We paid withholding taxes, foreign taxes, and Israeli clawback taxes of $25.2 million due to the repatriation. Tax expense for the repatriation was recorded in 2021 when the tax law was enacted.

During the nine fiscal months ended October 1, 2022, the liabilities for unrecognized tax benefits decreased by $11.5 million on a net basis, primarily due to payments, settlements, and currency translation adjustments, partially offset by accruals for current year tax positions and interest.

We operate in a global environment with significant operations in various locations outside the United States. Accordingly, the consolidated income tax rate is a composite rate reflecting our earnings and the applicable tax rates in the various locations where we operate. Part of our historical strategy has been to achieve cost savings through the transfer and expansion of manufacturing operations to countries where we can take advantage of lower labor costs and available tax and other government-sponsored incentives.

Additional information about income taxes is included in Note 5 to our consolidated condensed financial statements.

Financial Condition, Liquidity, and Capital Resources

Our financial condition as of October 1, 2022 continued to be strong. Cash and short-term investments exceed our long-term debt balances, and we have historically been a strong generator of operating cash flows. The cash generated from operations is used to fund our capital expenditure plans, and cash in excess of our capital expenditure needs is available to fund our acquisition strategy, to reduce debt levels, and to pay dividends and repurchase stock. We have generated cash flows from operations in excess of $200 million in each of the last 20 years, and cash flows from operations in excess of $100 million in each of the last 27 years.

Management uses a non-GAAP measure, "free cash," to evaluate our ability to fund acquisitions, repay debt, and otherwise enhance stockholder value through stock repurchases or dividends. See "Overview" above for "free cash" definition and reconciliation to GAAP. Vishay has generated positive "free cash" in each of the past 25 years, and "free cash" in excess of $80 million in each of the last 20 years. In this volatile economic environment, we continue to focus on the generation of free cash, including an emphasis on cost controls.

Cash flows provided by operating activities were $317.8 million for the nine fiscal months ended October 1, 2022, as compared to cash flows provided by operations of $310.5 million for the nine fiscal months ended October 2, 2021.

Cash paid for property and equipment for the nine fiscal months ended October 1, 2022 was $172.2 million, as compared to $118.2 million for the nine fiscal months ended October 2, 2021. To be well positioned to service our customers and to fully participate in growing markets, we intend to increase our capital expenditures for expansion in the mid-term. For the year 2022, we expect to invest approximately $325 million in capital expenditures.

Free cash flow for the nine fiscal months ended October 1, 2022 was negatively impacted by working capital changes, higher than usual capital expenditures, and cash taxes paid for repatriation. We expect our business to continue to be a reliable generator of free cash. There is no assurance, however, that we will be able to continue to generate cash flows from operations and free cash at our historical levels, or at all, going forward if the economic environment worsens. The COVID-19 pandemic and the mitigation efforts by governments to control its spread have not had a significant impact on our financial condition, liquidity, or capital resources.

On February 7, 2022, our Board of Directors adopted a Stockholder Return Policy that will remain in effect until such time as the Board votes to amend or rescind the policy. See “Stockholder Return Policy” above for additional information.

The following table summarizes the components of net cash and short-term investments (debt) at October 1, 2022 and December 31, 2021 *(in thousands)*:

	October 1, 2022	**December 31, 2021**
Credit facility	**$ -**	$ -
Convertible senior notes, due 2025	**465,344**	465,344
Deferred financing costs	**(7,224)**	(9,678)
Total debt	**458,120**	455,666
Cash and cash equivalents	**734,992**	774,108
Short-term investments	**182,646**	146,743
Net cash and short-term investments (debt)	**$ 459,518**	$ 465,185

"Net cash and short-term investments (debt)" does not have a uniform definition and is not recognized in accordance with GAAP. This measure should not be viewed as an alternative to GAAP measures of performance or liquidity. However, management believes that an analysis of "net cash and short-term investments (debt)" assists investors in understanding aspects of our cash and debt management. The measure, as calculated by us, may not be comparable to similarly titled measures used by other companies.

We invest a portion of our excess cash in highly liquid, high-quality instruments with maturities greater than 90 days, but less than 1 year, which we classify as short-term investments on our consolidated balance sheets. As these investments were funded using a portion of excess cash and represent a significant aspect of our cash management strategy, we include the investments in the calculation of net cash and short-term investments (debt).

The interest rates on our short-term investments vary by location. Transactions related to these investments are classified as investing activities on our consolidated condensed statements of cash flows.

As of October 1, 2022, substantially all of our cash and cash equivalents and short-term investment were held in countries outside of the United States. Cash dividends to stockholders, share repurchases, and principal and interest payments on our debt instruments need to be paid by the U.S. parent company, Vishay Intertechnology, Inc. Our U.S. subsidiaries also have cash operating needs. The distribution of earnings from Israel to the United States will initially be used to fund our Stockholder Return Policy. We expect that cash on-hand and cash flows from operations will be sufficient to meet our longer-term financing needs related to normal operating requirements, regular dividend payments, share repurchases pursuant to our Stockholder Return Policy, and our research and development and capital expenditure plans. Our substantially undrawn credit facility provides us with significant operating liquidity in the United States.

Our revolving credit facility provides an aggregate commitment of $750 million of revolving loans available until June 5, 2024. The maximum amount available on the revolving credit facility is restricted by the financial covenants described below. The credit facility also provides us the ability to request up to $300 million of incremental facilities, subject to the satisfaction of certain conditions, which could take the form of additional revolving commitments, incremental “term loan A” or “term loan B” facilities, or incremental equivalent debt.

We had no amounts outstanding on our revolving credit facility at December 31, 2021 and October 1, 2022. We borrowed $558 million and repaid $558 million on the revolving credit facility during the nine fiscal months ended October 1, 2022. The average outstanding balance on our revolving credit facility calculated at fiscal month-ends was $47.9 million and the highest amount outstanding on our revolving credit facility at a fiscal month end was $124 million during the nine fiscal months ended October 1, 2022.

The revolving credit facility limits or restricts us from, among other things, incurring indebtedness, incurring liens on its respective assets, making investments and acquisitions (assuming our pro forma leverage ratio is greater than 2.75 to 1.00), making asset sales, and paying cash dividends and making other restricted payments (assuming our pro forma leverage ratio is greater than 2.50 to 1.00), and requires us to comply with other covenants, including the maintenance of specific financial ratios.

The financial maintenance covenants include (a) an interest coverage ratio of not less than 2.00 to 1; and (b) a leverage ratio of not more than 3.25 to 1 (and a pro forma ratio of 3.00 to 1 on the date of incurrence of additional debt). The computation of these ratios is prescribed in Article VI of the Credit Agreement between Vishay Intertechnology, Inc. and JPMorgan Chase Bank, N.A., which has been filed with the SEC as Exhibit 10.1 to our current report on Form 8-K filed June 5, 2019.

We were in compliance with all financial covenants under the credit facility at October 1, 2022. Our interest coverage ratio and leverage ratio were 36.01 to 1 and 0.61 to 1, respectively. We expect to continue to be in compliance with these covenants based on current projections.

If we are not in compliance with all of the required financial covenants, the credit facility could be terminated by the lenders, and any amounts then outstanding pursuant to the credit facility could become immediately payable. Additionally, our convertible senior notes due 2025 have cross-default provisions that could accelerate repayment in the event the indebtedness under the credit facility is accelerated.

Borrowings under the credit facility bear interest at LIBOR plus an interest margin. The applicable interest margin is based on our leverage ratio. We also pay a commitment fee, also based on our leverage ratio, on undrawn amounts. Based on our current leverage ratio, any new borrowings will bear interest at LIBOR plus 1.50%, and the undrawn commitment fee is 0.25% per annum.

The borrowings under the credit facility are secured by a lien on substantially all assets, including accounts receivable, inventory, machinery and equipment, and general intangibles (but excluding real estate, intellectual property registered or licensed solely for use in, or arising solely under the laws of, any country other than the United States, assets located solely outside of the United States and deposit and securities accounts), of Vishay and certain significant subsidiaries located in the United States, and pledges of stock in certain significant domestic and foreign subsidiaries; and are guaranteed by certain significant subsidiaries.

We expect, at least initially, to fund certain future obligations required to be paid by the U.S. parent company by borrowing under our revolving credit facility. We also expect to continue to use the credit facility from time-to-time to meet certain short-term financing needs. Additional acquisition activity, convertible debt repurchases, or conversion of our convertible debt instruments may require additional borrowing under our credit facility or may otherwise require us to incur additional debt. No principal payments on our debt are due before 2025 and our revolving credit facility expires in June 2024.

The convertible senior notes due 2025 are not currently convertible. Pursuant to the indenture governing the convertible senior notes due 2025 and the amendments thereto incorporated in the Supplemental Indenture dated December 23, 2020, we will cash-settle the principal amount of $1,000 per note and settle any additional amounts in shares of our common stock. We intend to finance the principal amount of any converted notes using borrowings under our credit facility. No conversions have occurred to date.

Safe Harbor Statement

From time to time, information provided by us, including but not limited to statements in this report, or other statements made by or on our behalf, may contain "forward-looking" information within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should," or other similar words or expressions often identify forward-looking statements.

Such statements are based on current expectations only, and are subject to certain risks, uncertainties, and assumptions, many of which are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance, or achievements may vary materially from those anticipated, estimated, or projected. Among the factors that could cause actual results to materially differ include: general business and economic conditions; delays or difficulties in implementing our cost reduction strategies; delays or difficulties in expanding our manufacturing capacities; manufacturing or supply chain interruptions or changes in customer demand because of COVID-19 or otherwise; an inability to attract and retain highly qualified personnel; changes in foreign currency exchange rates; uncertainty related to the effects of changes in foreign currency exchange rates; competition and technological changes in our industries; difficulties in new product development; difficulties in identifying suitable acquisition candidates, consummating a transaction on terms which we consider acceptable, and integration and performance of acquired businesses; changes in applicable domestic and foreign tax regulations and uncertainty regarding the same; changes in U.S. and foreign trade regulations and tariffs and uncertainty regarding the same; changes in applicable accounting standards and other factors affecting our operations, markets, capacity to meet demand, products, services, and prices that are set forth in our filings with the SEC, including our annual reports on Form 10-K and our quarterly reports on Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Our 2021 Annual Report on Form 10-K listed various important factors that could cause actual results to differ materially from projected and historic results. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. Readers can find them in Part I, Item 1A, of that filing under the heading "Risk Factors." You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 23, 2022, describes our exposure to market risks. There have been no material changes to our market risks since December 31, 2021.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act are: (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms; and (2) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Item 3 of Part I of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 23, 2022 describes certain of our legal proceedings. Except as described below, there have been no material developments to the legal proceedings previously disclosed.

Regarding the matter first disclosed by the Company in its Form 10-Q that was filed with the SEC for the quarterly period ended October 3, 2020, on September 12, 2022, the United States District Court for the Eastern District of New York dismissed all third-party complaints commenced by Island Transportation Corp. against nineteen third-party defendants including Vishay GSI, Inc. ("VGSI"), a wholly owned subsidiary of the Company.

Item 1A. Risk Factors

There have been no material changes to the risk factors we previously disclosed under Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 23, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information regarding repurchases of our common stock during the fiscal quarter ended October 1, 2022:

Period	Total Number of Shares Purchased	Average Price Paid per Share (including commission)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Total Dollar Amount Purchased Under the Program	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 3 - July 30	318,186	$ 18.35	318,186	$ 5,839,285	5,681,814
July 31 - August 27	143,888	$ 20.78	143,888	$ 2,990,168	5,537,926
August 28 - October 1	516,264	$ 18.75	516,264	$ 9,681,200	5,021,662
Total	**978,338**	**$ 18.92**	**978,338**	**$ 18,510,653**	**5,021,662**

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

4.1	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
10.1	Amendment to Employment Agreement, dated July 14, 2022, between Vishay Israel Ltd. (a wholly owned subsidiary of Vishay Intertechnology, Inc.) and Marc Zandman. Incorporated by reference to Exhibit 10.1 to our current report on Form 8-K, filed July 18, 2022.
10.2	Amended and Restated Employment Agreement, dated July 14, 2022, between Vishay Dale Electronics LLC (a wholly owned subsidiary of Vishay Intertechnology, Inc.), Vishay Intertechnology, Inc., and Joel Smejkal. Incorporated by reference to Exhibit 10.2 to our current report on Form 8-K, filed July 18, 2022.
10.3	Third Amendment to Employment Agreement, dated July 14, 2022, between Vishay Europe GmbH (an indirect wholly owned subsidiary of Vishay Intertechnology, Inc.), Vishay Intertechnology, Inc., and Lori Lipcaman. Incorporated by reference to Exhibit 10.3 to our current report on Form 8-K, filed July 18, 2022.
10.4	Amended and Restated Employment Agreement, dated July 14, 2022, between Vishay Israel Ltd. (a wholly owned subsidiary of Vishay Intertechnology, Inc.), Vishay Intertechnology, Inc., and Jeff Webster. Incorporated by reference to Exhibit 10.4 to our current report on Form 8-K, filed July 18, 2022.
10.5	Employment Agreement, dated July 14, 2022, between Siliconix incorporated (a wholly owned subsidiary of Vishay Intertechnology, Inc.), Vishay Intertechnology, Inc. and Roy Shoshani. Incorporated by reference to Exhibit 10.5 to our current report on Form 8-K, filed July 18, 2022.
10.6	Second Amendment to Employment Agreement, dated July 14, 2022, between Vishay Electronic GmbH (an indirect wholly owned subsidiary of Vishay Intertechnology, Inc.), Vishay Intertechnology, Inc., and Andreas Randebrock. Incorporated by reference to Exhibit 10.6 to our current report on Form 8-K, filed July 18, 2022.
10.7	Second Amended and Restated Employment Agreement, dated July 14, 2022, between Vishay Intertechnology, Inc. and Peter Henrici. Incorporated by reference to Exhibit 10.7 to our current report on Form 8-K, filed July 18, 2022.
10.8	Transition Agreement, dated July 15, 2022, between Vishay Capacitors Belgium NV (an indirect wholly owned subsidiary of Vishay Intertechnology, Inc.) and Johan Vandoorn.
10.9	Transition Agreement, dated July 15, 2022, between Vishay Americas, Inc. (a wholly owned subsidiary of Vishay Intertechnology, Inc.), Vishay Intertechnology, Inc., and David Valletta.
10.10	Transition Agreement, dated July 15, 2022, between Vishay Singapore Pte. Ltd. (an indirect wholly owned subsidiary of Vishay Intertechnology, Inc.), Vishay Intertechnology, Inc., and Clarence Tse.
31.1	Certification pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Dr. Gerald Paul, Chief Executive Officer.
31.2	Certification pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Lori Lipcaman, Chief Financial Officer.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Dr. Gerald Paul, Chief Executive Officer.
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Lori Lipcaman, Chief Financial Officer.
101	Interactive Data File (Quarterly Report on Form 10-Q, for the quarterly period ended October 1, 2022, furnished in iXBRL (Inline eXtensible Business Reporting Language)).
104	Cover Page Interactive Data File (formatted as Inline eXtensible Business Reporting Language and contained in Exhibit 101)

SIGNATURES

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 thereunto duly authorized.

VISHAY INTERTECHNOLOGY, INC.

/s/ Lori Lipcaman
Lori Lipcaman
Executive Vice President and Chief Financial Officer
(as a duly authorized officer and principal financial and accounting officer)

Date: November 2, 2022

Exhibit 31.1

CERTIFICATIONS

I, Dr. Gerald Paul, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vishay Intertechnology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2022

/s/ Gerald Paul
Dr. Gerald Paul
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Lori Lipcaman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vishay Intertechnology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2022

/s/ Lori Lipcaman
Lori Lipcaman
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vishay Intertechnology, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended October 1, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dr. Gerald Paul, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gerald Paul
Dr. Gerald Paul
Chief Executive Officer
November 2, 2022

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vishay Intertechnology, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended October 1, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lori Lipcaman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lori Lipcaman
Lori Lipcaman
Chief Financial Officer
November 2, 2022

Description of the Registrant's Securities
Registered Pursuant to Section 12 of the
Securities Exchange Act of 1934

The following description summarizes of certain provisions of the common stock of Vishay Intertechnology, Inc. This description does not purport to be complete and is qualified in its entirety by reference to our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, as amended, each of which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part. We encourage you to read our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws, as amended and the applicable provisions of Delaware law for additional information. Unless the context requires otherwise, all references to "we," "us," "our" and "Vishay" in this section refer solely to Vishay Intertechnology, Inc. and not to its subsidiaries.

The aggregate number of shares of capital stock which Vishay has authority to issue is 341,000,000 shares: 1,000,000 shares of preferred stock, par value $1.00 per share, 300,000,000 shares of common stock, par value $0.10 per share, and 40,000,000 shares of Class B common stock, par value $0.10 per share.

Common stock

After any required payment on shares of preferred stock, holders of common stock and Class B common stock are entitled to receive, and share ratably on a per share basis in, all dividends and other distributions declared by the board of directors of Vishay. In the event of a stock dividend or stock split, holders of common stock will receive shares of common stock and holders of Class B common stock will receive shares of Class B common stock. Neither the common stock nor the Class B common stock may be split, divided or combined unless the other is split, divided or combined equally.

The holders of common stock are entitled to one vote for each share held. Holders of Class B common stock are entitled to 10 votes for each share held. The common stock and the Class B common stock vote together as one class on all matters subject to stockholder approval, except as set forth in the following sentence. The approval of the holders of common stock and of Class B common stock, each voting separately as a class, is required to authorize issuances of additional shares of Class B common stock other than in connection with stock splits and stock dividends.

Shares of Class B common stock are convertible into shares of our common stock on a one-for-one basis at any time at the option of the holder thereof. The Class B common stock is not transferable except to the holder's spouse, certain of such holder's relatives, certain trusts established for the benefit of the holder, the holder's spouse or relatives, corporations and partnerships beneficially owned and controlled by such holder, such holder's spouse or relatives, charitable organizations and such holder's estate. Upon any transfer made in violation of those restrictions, shares of Class B common stock will be automatically converted into shares of our common stock on a one-for-one basis.

Neither the holders of common stock nor the holders of Class B common stock have any preemptive rights to subscribe for additional shares of capital stock of Vishay.

Our common stock is listed on The New York Stock Exchange. There is no public market for shares of our Class B common stock.

Preferred stock

Our board of directors is authorized, without further stockholder approval, to issue from time to time up to an aggregate of 1,000,000 shares of preferred stock in one or more series. The board of directors may fix or alter the designation, preferences, rights and any qualification, limitations, or restrictions of the shares of any series, including the dividend rights, dividend rates, conversion rights, voting rights, redemption terms and prices, liquidation preferences and the number of shares constituting any series. No shares of our preferred stock are currently outstanding.

Other matters

We have a staggered board of directors, divided into three classes, with one class of directors being elected each year. As a consequence, directors may not be removed other than for cause.

We are subject to Section 203 of the Delaware General Corporation Law which prohibits us from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns or within three years did own, 15% or more of our voting stock.

We furnish to our stockholders annual reports containing consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

Computershare Trust Company, N.A. is the transfer agent and registrar of our common stock and Class B common stock.

TRANSITION AGREEMENT

<u>BETWEEN</u>: **Vishay Capacitors Belgium NV,**

having its registered offices at 8800 Roeselare, Kwadestraat 151A, Belgium
and with the company number 0464.945.843

Duly represented by Mr. Hans Labeeuw, Managing Director.

Hereinafter referred to as the "**Company**";

<u>AND</u>: **Mr. Johan Vandoorn,**

Residing at [Personal address redacted]

Hereinafter referred to as "**Mr. Vandoorn**",

Together referred to hereafter as the "**Parties**" and separately as a "**Party**";

The settlement agreement is hereinafter referred to as the "**Transition Agreement**".

***

IT IS WITNESSED THAT:

By resolution of the General Shareholders' meeting of 7 June 2005, Mr. Vandoorn has been appointed as director of the Company ("**Director**").

By decision of the Board of Director's meeting of 30 June 2008, Mr. Vandoorn has been appointed as director in charge of the daily management of the Company ("**Managing Director**") as from 1 July 2008.

Mr. Vandoorn has then been promoted to Chief Technology Officer by decision of 1 August 2011. On 16 January 2012, the Parties have concluded an agreement with regard to this position, further amended on 4 March 2014, 3 March 2015, 15 February 2018, and 23 February 2021, respectively (collectively, hereinafter referred as the "**Services Agreement**").

The Company wishes to terminate the Services Agreement and end the corporate mandates of Director and Managing Director, in accordance with the terms and conditions described herein.

In this context, the Parties have entered into discussions with the aim of concluding the Transition Agreement, through which they intend to settle, once and for all, the terms and conditions of termination of their professional relationship, as well as any disputes that currently exist or could arise in the future.

CONSEQUENTLY, IT HAS BEEN AGREED AS FOLLOWS:

Article 1

After mutual concessions, the Parties enter into a settlement agreement in the sense of Article 2044 and the following articles of the Civil Code.

Article 2

The Parties recognize that they were aware of their rights at the time of the conclusion of the Transition Agreement. The provisions of the Transition Agreement have been agreed upon between the Parties and those provisions fully reflect their free and clear consent.

Both of the Parties have been given the necessary time for reflection to examine and negotiate the Transition Agreement and they have received the necessary advice in order to understand its scope.

The Parties undertake to execute the Transition Agreement in good faith.

Article 3

The Parties expressly agree and acknowledge that any professional relationship between them shall be definitively terminated as a termination by the Company without Cause (as defined below) on 31 December 2022 (the "**Termination Date**"), unless Mr. Vandoorn's employment is earlier terminated by the Company for Cause, or due to Mr. Vandoorn's death or disability (within the meaning of Section 13.2(b) of the Services Agreement, ("**Disability**")).

Until the Termination Date, Mr. Vandoorn will carry out the missions provided in the Services Agreement, will make good faith efforts to prepare the Company and its affiliates (which, for the avoidance of doubt, includes for the purposes of this Transition Agreement Vishay Intertechnology, Inc., a Delaware corporation (the parent company) and all of its subsidiaries) for an orderly transition of his duties as Chief Technology Officer to his successor (and, upon the request of the Company and its affiliates, an orderly transition of his other duties to other personnel of the Company of its affiliates), and will perform his corporate mandates with all due care. However, as of 1 January 2023, Mr. Vandoorn will no longer perform any services or corporate mandates for the Company and its affiliates.

With respect to the corporate mandates, Mr. Vandoorn commits to resign from such mandates with effect on the Termination Date. At the signature of the Transition Agreement, Mr. Vandoorn will provide the Company with a signed original of the resignation letter annexed to the Transition Agreement.

For the purposes of this Transition Agreement, "Cause" means any of the following:

(i) Mr. Vandoorn's conviction of a felony or any other crime involving moral turpitude (whether or not involving the Company or its affiliates);

(ii) any act or failure to act by Mr. Vandoorn involving dishonesty, fraud, misrepresentation, theft or embezzlement of assets from the Company or its affiliates; or

(iii) Mr. Vandoorn's (a) willful and repeated failure to substantially perform his duties under the Services Agreement or Transition Agreement (other than as a result of total or partial incapacity due to physical or mental illness or injury) or (b) willful and repeated failure to substantially comply with any policy of the Company or its affiliates applicable to Mr. Vandoorn; provided, however, that a termination pursuant to this clause (iii) will not become effective unless Mr. Vandoorn fails to cure such failure to perform or comply within twenty (20) days after written notice thereof from the Company.

For avoidance of doubt, a termination due to a condition entitling Mr. Vandoorn to long-term disability benefits under a Company plan will not constitute a termination without Cause.

Article 4

The Parties expressly agree and acknowledge that, subject to Mr. Vandoorn's continued employment through the Termination Date, between the date hereof and the Termination Date, the Company shall continue to pay or provide to Mr. Vandoorn his compensation and benefits as in effect on the date hereof, which for the avoidance of doubt are enumerated below:

- his monthly fixed fees, corresponding to EUR 44,508 gross per month, less applicable legal withholdings. The payment of the monthly fixed fees is subject to the effective performance by Mr. Vandoorn of the missions agreed under the Services Agreement and hereunder;

- his monthly lump-sum representation allowance of EUR 300; and

- the other payments and benefits scheduled on Annex 1 hereto.

The Parties expressly agree and acknowledge, that subject to Mr. Vandoorn's continued employment through the Termination Date, and subject further to Mr. Vandoorn's timely execution of this Transition Agreement and the release attached hereto as Annex 2 (the "**Release**"):

- the Company shall make a lump sum payment to Mr. Vandoorn equal to all accrued unpaid fixed fee and unpaid expense reimbursement, in accordance with Company policies, within 15 days following the Termination Date;

- the Company shall pay to Mr. Vandoorn a termination indemnity of EUR 1,602,288 gross, less applicable legal withholdings, to be paid in equal instalments in accordance with the Company's standard payroll practices (but no less frequently than monthly) from 1 January 2023 until 31 December 2025. In the event a Change in Control (as defined in the Services Agreement, but that also constitutes a "change in control event" described in Treas. Reg. § 1.409A-3(i)(5)(i)) occurs prior to the Termination Date, the above-described termination indemnity will instead be paid in a single lump sum within 60 days following the Termination Date;

- Mr. Vandoorn shall remain eligible to receive an annual bonus in respect of 2022, determined in the same manner and at the same time as would have been the case in the absence of Mr. Vandoorn's termination of employment;

- the service-based vesting criteria applicable to Mr. Vandoorn's outstanding equity awards shall be deemed satisfied, whereas performance-based vesting criteria will remain in effect through the end of the applicable performance period, and all such awards will be settled in accordance with the applicable award agreements;

- Mr. Vandoorn shall remain entitled to those rights that he is entitled to following a termination of employment without Cause under the terms of the Company's benefit plans or arrangements (other than severance benefit plans); and

- in the case of Mr. Vandoorn's death after the Termination Date, any remaining amounts that would have been paid to him under this Article 4 in the absence of his death, will instead be paid to his estate.

The Parties expressly agree and acknowledge that the consequences of Mr. Vandoorn's cessation of employment due to death, Disability, or a termination by the Company for Cause, in each case prior to the Termination Date, shall be as set forth in the Services Agreement.

Article 5

Until the Termination Date and in compliance with Article 7.2 of the Services Agreement, the Company commits, upon presentation of the justificative documentation, to reimburse the reasonable expenses incurred by Mr. Vandoorn in the performance of his office and which are not covered by the lump-sum representation allowance.

Article 6

All amounts to be paid to Mr. Vandoorn shall be transferred to Mr. Vandoorn's bank account, with the following bank account number: **__[Bank Account Redacted]**.

Article 7

All Belgian and/or foreign tax and social security contributions, which may be due in relation with the amounts set forth above will be exclusively borne by Mr. Vandoorn.

Article 8

The Parties confirm that they wish to maintain and apply the Non-Compete Clause set forth in Article 13.3 of the Service Agreement. Notwithstanding anything to the contrary in this Transition Agreement, in the event that Mr. Vandoorn breaches any of his obligations under Article 13.3 of the Service Agreement, any payments or benefits not yet made or provided under Article 4 above shall be forfeited immediately.

Such forfeiture shall not limit any additional equitable or legal remedies the Company and its affiliates may have with respect to Mr. Vandoorn's breach.

In addition, Mr. Vandoorn agrees to cooperate fully and in a timely manner, both before and after the Termination Date, with the Company and its affiliates (and their counsel) with respect to any matter (including, without limitation, litigation, investigations, or governmental proceedings) relating to Mr. Vandoorn's tenure with the Company and its affiliates, upon reasonable notice from the Company or its affiliate, so long as, following the Termination Date, the Company and its affiliates exercise commercially reasonable efforts to schedule and limit its need for Mr. Vandoorn's cooperation under this paragraph so as not to interfere with Mr. Vandoorn's other personal and professional commitments. Mr. Vandoorn's obligation to cooperate as described in the prior sentence shall extend for the duration of his lifetime with respect to litigation, internal or external audits or investigations and governmental proceedings; for all other matters, Mr. Vandoorn's obligation to cooperate shall expire on December 31, 2025. The Company will reimburse Mr. Vandoorn for reasonable out-of-pocket costs that he incurs pursuant to such cooperation, in accordance with its then-current expense reimbursement policy.

Article 9

At the latest on the Termination Date, Mr. Vandoorn will return all the goods (company car, etc.), equipment and devices, and documents (confidential or otherwise, including copies) that are the property of (or that were given them by) the Company or any of its affiliates. These goods, equipment and devices, and documents are and will remain the exclusive property of the Company.

Article 10

Mr. Vandoorn undertakes not to communicate, divulge or use any Confidential Information. For the purpose of the Transition Agreement, "Confidential Information" is defined as (i) the Services Agreements concluded with the Company, its contents and its deliverables and (ii) any technical, commercial, financial or other information relating to the business and affairs of the Company and its affiliates and to the business and affairs of the Company's and its affiliates'(potential) customers and clients which comes to Mr. Vandoorn's attention or possession, and which the Company regards or any of its affiliates regard, or could reasonably be expected to regard as confidential, whether or not any such tangible information is marked "confidential".

Mr. Vandoorn explicitly agrees to refrain from denigrating the Company, any of its affiliates, or any of their respective officers, directors, employees, consultants, reputations, products, operations, procedures, policies or services in any way.

Notwithstanding anything to the contrary in the Transition Agreement, the restrictions described in the two preceding paragraphs and in Article 12 herein shall not (i) apply to disclosure required by Mr. Vandoorn under applicable law, regulation or legal process (provided that, to the extent permitted by applicable law, Mr. Vandoorn provides the Company with prior notice of the contemplated disclosure and reasonably cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information) or (ii) be construed to impede Mr. Vandoorn from making disclosures that are protected under applicable whistleblower laws, or to require notification or prior approval by the Company or its affiliates of any such disclosure (provided that Mr. Vandoorn is not authorized under this clause (ii) to disclose communications with counsel to the Company or its affiliates that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege).

Article 11

Insofar as Mr. Vandoorn uses online social networks (such as Facebook, Twitter, LinkedIn, Hyves, Plaxo, etc.), Mr. Vandoorn undertakes, within seven calendar days after the Termination Date, to update his personal profile to make it clear that he is no longer in a relationship with the Company and its affiliates since the Termination Date.

Article 12

Mr. Vandoorn explicitly agrees to keep the existence as well as the content of the Transition Agreement strictly confidential and agrees not to communicate directly or indirectly any information relating to the Transition Agreement to third parties, except in cases where there is a legal obligation to divulge this information or where Mr. Vandoorn is requested to divulge this information by a competent authority.

Mr. Vandoorn, moreover, explicitly agrees to refrain from divulging any information to any third party regarding any disputes that have existed between the Parties.

Article 13

Under the condition of the proper and complete execution of the Transition Agreement:

- Mr. Vandoorn accepts the provisions of the Transition Agreement as final settlement of all claims of a contractual nature or of any other nature, which he could have against the Company regarding his professional relationship with the Company (and its affiliates) and/or the termination thereof;

- Mr. Vandoorn waives all other rights, which he has or which may arise with regard to the professional relationship that existed between him and the Company (and its affiliates) or with regard to the termination of the relationship, including, but without being limited to, claims for damages and interest for abusive termination of the contractual relationship, additional termination indemnity, fees arrears, bonus arrears, premiums, equity investment compensations, etc.;

- Mr. Vandoorn waives his right to file any future court action regarding his professional relationship with the Company (and its affiliates) and/or the termination thereof;

- Mr. Vandoorn shall refrain from prevailing himself of any legal or factual error or any omission regarding the existence or the scope of his rights.

Consequently, Mr. Vandoorn explicitly agrees and acknowledges that he has exhausted his rights and confirms that he has no more claims against the Company or its affiliates.

The waiver exercised by Mr. Vandoorn is not only valid with regard to the Company but also with regard to each and every one of its predecessors, successors (by merger or otherwise), parents, subsidiaries, affiliates, divisions and related entities, and all of their directors, officers, executives, attorneys and agents, whether present or former, and benefit plans (and the administrators, fiduciaries and agents of such plans).

Moreover, Mr. Vandoorn commits to confirm and sign, on the Termination Date, the Release annexed to the Transition Agreement and restating the same waivers as the one provided in the present article. This release shall cover in particular the period running from the signature of Transition Agreement to the Termination Date.

Article 14

The Transition Agreement constitutes the final and complete agreement of the Parties.

The Transition Agreement annuls and replaces all previous agreements and stipulations, of whatsoever nature, which were concluded verbally or in writing between the Parties and are in conflict with the Transition Agreement.

If one or more clauses or parts of clauses of the Transition Agreement are deemed partially or totally void, the other provisions shall not be affected by the nullity and shall consequently remain valid.

Article 15

This Transition Agreement shall be governed by and construed in accordance with Belgian law.

The Parties expressly accept the exclusive jurisdiction of Belgian courts for any disputes arising from the Transition Agreement or the execution thereof.

* * *

Drafted in Belgium, on July 15, 2022, in two originals signed and initialised by each Party. Both Parties acknowledging having received one original. Each counterpart to this Transition Agreement may be executed and delivered electronically (including via portable document format or similar method) and a receiving Party may rely on the receipt of a document so executed and delivered as if the original had been received.

For Vishay Capacitors Belgium NV	Mr. Vandoorn*
/s/ Hans Labeeuw	/s/ Johan Vandoorn
Name: Mr. Hans Labeeuw	
Position: Managing Director	

*****_The signature must be preceded by the handwritten note “read and approved”._

Annexes:

1. Schedule of Payments and Benefits
2. Resignation letter from the mandates of Director and Managing Director
3. Release to be signed on the Termination Date

Annex 1—Schedule of Payments and Benefits*

1. A monthly automobile gross allowance of EUR 3,600 less applicable legal withholding
2. A monthly gross cash payment of EUR 10,681 (representing 24% of Mr. Vandoorn's monthly fixed fees), in lieu of any contributions to an individual pension commitment ("individuele pensioentoezegging") less applicable legal withholding
3. Continued participation in the Company's program for hospitalization insurance, as in effect from time to time, in accordance with the eligibility requirements of such program
4. Continued participation in the Company's travel insurance program, liability insurance for directors, and other insurance programs, as in effect from time to time, in accordance with the eligibility requirements of such programs

* The payments and benefits described above shall continue to be paid or provided, as applicable, until the Termination Date, subject to Mr. Vandoorn's continued employment through such date.

<u>Annex 2 – Resignation letter</u>

JOHAN VANDOORN
Residing at
[Personal address redacted]

VISHAY CAPACITORS BELGIUM NV
Registered offices: 8800 Roeselare, Kwadestraat 151A, Belgium
Company number: 0464.945.843

Vishay Resistors Belgium BV
Twee Huizenstraat 37
Brussel (Evere) B-1140 Belgium
Company number: 0442.439.368

Vishay BCcomponents B.V.
Luchthavenweg 99
Eindhoven 5657 EA Netherlands
Company number: KvK 1709457

August 3, 2022

<u>To the Board of Directors of Vishay Capacitors Belgium NV, Vishay Resistors Belgium BV, and Vishay BCcomponents B.V.</u>

Dear Member of the Board of Vishay Capacitors Belgium NV, Vishay Resistors Belgium BV, and Vishay BCcomponents B.V. (each, a "**Company**"):

<u>Re</u>: Resignation from my positions as Director and Managing Director of the Companies

I, Johan Vandoorn, hereby resign from my positions as Director and Managing Director of each Company with effect as from 31 December 2022.

I would kindly ask you to proceed to the necessary steps at the next general meeting of the shareholders and, to the extent applicable, to publish this resignation in the Annexes of the Belgian Official Gazette (“*Moniteur Belge*”) or as otherwise appropriate.

I would also ask you to grant me the discharge for the acts performed in my capacity as Director and Managing Director of each respective Company at the next general meeting of shareholders of each Company.

Finally, I confirm that I have no claim against any of the Companies or their respective shareholders and, in any event, I expressly waive any claim I may have against them.

Yours sincerely,

/s/ Johan Vandoorn
Johan Vandoorn

<u>Annex 3 - Release</u>

31 December 2022

Hereby, I confirm that:

- I accept the provisions of the Transition Agreement concluded on July 15, 2022 as final settlement of all claims of a contractual nature or of any other nature, which I could have against Vishay Capacitors Belgium NV (hereafter "the Company") regarding our professional relationship and/or the termination thereof;

    1. I waive all other rights, which I have, or which may arise with regard to the professional relationship that existed between me and the Company or with regard to the termination of the relationship, including, but without being limited to, claims for damages and interest for abusive termination of the contractual relationship, additional termination indemnity, fees arrears, bonus arrears, premiums, equity investment compensations, etc.;

- I waive my right to file any future court action regarding my professional relationship with the Company and/or the termination thereof;

- I will refrain from prevailing myself of any legal or factual error or any omission regarding the existence or the scope of my rights.

I explicitly agree and acknowledge that I have exhausted my rights and confirm that I have no more claims against the Company.

My waiver is not only valid with regard to the Company but also with regard to each and every one of its predecessors, successors (by merger or otherwise), parents, subsidiaries, affiliates, divisions and related entities, and all of their directors, officers, executives, attorneys and agents, whether present or former, and benefit plans (and the administrators, fiduciaries and agents of such plans).

Johan Vandoorn*

____

**The signature is preceded by the handwritten note "read and approved".*

TRANSITION AGREEMENT

This Transition Agreement ("Agreement") is made on July 15, 2022 by and between Vishay Americas, Inc., a Delaware corporation ("Vishay Americas"), Vishay Intertechnology, Inc., a Delaware corporation and the parent company of Vishay Americas (the "Company") and David Valletta ("Executive") (jointly referred to as the "Parties" and singularly as a "Party"):

RECITALS

WHEREAS, Executive is presently employed by Vishay Americas as its Executive Vice President, Worldwide Sales ("EVP Sales");

WHEREAS, the Parties entered into an Amended and Restated Employment Agreement, dated as of February 15, 2018 and a First Amendment to the Amended and Restated Employment Agreement, dated as of February 23, 2021 (collectively, the "Employment Agreement");

WHEREAS, Vishay Americas wishes to terminate Executive's employment, effective upon the close of business on December 31, 2022 (the "Termination Date"), which will constitute a termination without Cause (as defined below), provided that Executive's employment is not terminated prior to December 31, 2022 by Vishay Americas for Cause or due to Executive's death or Disability;

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms and conditions of Executive's remaining period of employment and Executive's entitlements in connection with the cessation of his employment; and

WHEREAS, each capitalized term not defined herein shall have the meaning ascribed to such term in the Employment Agreement.

NOW THEREFORE, in consideration of the mutual promises made herein, intending to be legally bound, the Parties hereby agree as follows:

1. Transition Period; Cessation of Employment.

(a) Vishay Americas agrees to continue to employ Executive, and Executive agrees to remain in employment with Vishay Americas, until the earliest of (i) the Termination Date, (ii) the date of Executive's death or Disability, or (iii) the date Executive's employment is terminated by Vishay Americas with Cause. For the purposes of this Agreement, "Cause" has the meaning set forth in the Employment Agreement except that the reference to the Employment Agreement in clause (iii) therein shall be deemed to also include this Transition Agreement.

(b) During the period between the date hereof and the Termination Date (the "Transition Period"), Executive agrees to devote his reasonable best efforts and full business time to the performance of his duties for the Company Group, including, but not limited to, making good faith efforts to prepare the Company Group for an orderly transition of his duties to other Company Group personnel.

(c) Executive hereby resigns all offices, titles and positions with the Company Group (including his position as EVP Sales) as of the Termination Date and agrees to execute such further documents as the Company Group may reasonably request to confirm such resignation. Executive further agrees that no compensation or other amounts are payable in connection with the cessation of his employment and service, except as expressly provided in this Agreement.

2. Compensation During the Transition Period. Subject to Executive's continued employment through the Transition Period, Executive will continue to be paid his base salary at the current rate through the Transition Period.

3. Compensation Upon Cessation of Employment. In the event of Executive's cessation of employment prior to the Termination Date due to his death, Disability, or a termination by the Company for Cause, the consequences of such termination shall be as set forth in the Employment Agreement. Provided that Executive remains employed with Vishay Americas until the Termination Date, and subject to Executive (i) executing this Agreement within 21 days of the date hereof, and such Agreement (including Section 6 hereof) becoming irrevocable in accordance with its terms, (ii) executing the Subsequent Release attached as Exhibit A hereto within 53 days following the Termination Date and such Subsequent Release becoming irrevocable in accordance with its terms, and (iii) complying with Section 7 of the Employment Agreement, Executive shall be entitled to the items of compensation set forth in Sections 3(a), 3(b) and 3(c) of this Agreement. Executive acknowledges and agrees that Executive will not be entitled to such items of compensation if he does not execute this Agreement and the Subsequent Release in accordance with their terms:

(a) Cash Severance. Executive will continue to receive his base salary as in effect on the Termination Date until the third (3rd) anniversary of the Termination Date, payable in installments in accordance with Vishay Americas' standard payroll practices (but no less frequently than monthly), provided however, that if a Change in Control (as defined in the Employment Agreement, but that also constitutes a "change in control event" described in Treas. Reg. § 1.409A-3(i)(5)(i)) occurs prior to the Termination Date, the amounts otherwise payable under this Section 3(a) will instead be paid in a single lump sum within 60 days following the Termination Date.

(b) 2022 Annual Bonus. Executive will be eligible to receive a 2022 annual performance bonus as described in Section 4.2 of the Employment Agreement. Such bonus will be determined in the same manner and paid at the same time as would have been the case in the absence of Executive's termination of employment.

(c) Treatment of Equity Awards. Service-based vesting criteria applicable to Executive's outstanding equity awards as of the Termination Date shall be deemed satisfied, whereas performance-based vesting criteria will remain in effect through the end of the applicable performance period, and all such awards will be settled in accordance with the applicable award agreements.

Subject to any delay required under Section 6.3 of the Employment Agreement (which section will continue in effect to facilitate compliance with Section 409A of the Internal Revenue Code), the benefits described in Sections 3(a) and 3(b) above will be paid or will begin to be paid, as applicable, as soon as practicable after the Subsequent Release becomes irrevocable (or, in the case of the payment described in 3(b) above, at such later time as such bonus would have otherwise been payable in the absence of such termination); provided, that no payments shall be made prior to January 1, 2023.

4. Restrictive Covenants. Executive agrees and acknowledges that Section 7 of the Employment Agreement (regarding restrictive covenants) will survive the cessation of Executive's employment with Vishay Americas and hereby affirms his obligations thereunder. Notwithstanding anything to the contrary in this Agreement, in the event that Executive breaches any of his obligations under Section 7 of the Employment Agreement, any payments or benefits not yet made or provided under Section 3 above shall be forfeited immediately. Such forfeiture shall not limit any additional equitable or legal remedies the Company Group may have with respect to Executive's breach.

5. Payment of Accrued Compensation. In accordance with Section 6.2(a)(i) of the Employment Agreement, Vishay Americas shall pay Executive any Accrued Compensation within 15 days following the Termination Date.

6. General Release. Executive acknowledges that the benefits described in this Agreement will constitute full settlement of all of his rights under the Agreement and the Employment Agreement.

IN CONSIDERATION of the benefits set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Executive, on behalf of Executive and Executive's heirs, executors, administrators, and assigns, hereby releases and discharges Vishay Americas, the Company and each of their respective past, present and future subsidiaries, divisions, affiliates and parents, and their respective current and former officers, directors, employees, agents, shareholders, employee benefit plans (and the administrator(s) and fiduciaries of such plans), attorneys, and/or owners, and their respective successors, and assigns, and any other person or entity claimed to be jointly or severally liable with Vishay Americas, the Company or any of the aforementioned persons or entities (the "Released Parties") from any and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, charges, claims, attorney's fees, costs, expenses, and demands whatsoever ("Claims") which Executive and Executive's heirs, executors, administrators, and assigns have, had, or may hereafter have against the Released Parties or any of them arising out of or by reason of any cause, matter, or thing whatsoever from the beginning of the world to the date hereof (the "General Release"). The Claims covered by this General Release include, but are not limited to, all Claims relating to or arising out of Executive's employment by the Company. The Claims covered by this General Release also include, but are not limited to any and all Claims arising under any employment-related federal, state, or local statute, rule, or regulation, any federal, state or local anti-discrimination law, or any principle of tort, contract law or common law, including but not limited to, 29 U.S.C. §§ 2601 et seq., Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000 et seq., the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621 et seq. (the "ADEA"), the Older Workers Benefit Protection Act, the Equal Pay Act of 1963, as amended, § 29 U.S.C. 206(d); the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §§ 12101 et seq., 42 U.S.C. § 1981, the Worker Adjustment and Retraining Notification Act of 1988, as amended, 29 U.S.C. §§2101 et seq., the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001 et seq., the Genetic Information Nondiscrimination Act of 2008, 42 U.S.C. §§ 200ff et seq., the Pennsylvania Human Relations Act, 43 P.S. § 951, et seq., the Connecticut Fair Employment Practices Act, CT Gen. Stat. § 46a-51 et seq., the Connecticut Whistleblower Law, CT Gen. Stat. § 31-51m, the Connecticut Free Speech Law, CT Gen. Stat. § 31-51q, and any other federal, state, or local statute; provided, however, that Executive does not release or discharge the Released Parties from any of the Company Group's obligations to Executive under or pursuant to (i) Sections 2, 3 and 5 of this Agreement, (ii) Vishay Americas' employee welfare benefit plans and employee benefit pension plans (other than severance benefit plans) applicable to Executive, subject to the terms and conditions of those plans, or (iii) claims for indemnification under the by-laws or policies of insurance of Vishay Americas or the Company. It is understood that nothing in this General Release is to be construed as an admission on behalf of the Released Parties of any wrongdoing with respect to Executive, any such wrongdoing being expressly denied.

If a Claim is not subject to release, to the extent permitted by law, Executive waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceedings based on such a claim in which a Released Party is a party.

Executive represents and warrants that Executive fully understands the terms of this General Release, that Executive has been and hereby is encouraged to seek, and has sought, the benefit of advice of legal counsel, and that Executive knowingly and voluntarily, of Executive's own free will, without any duress, being fully informed, and after due deliberation, accepts its terms and signs below as Executive's own free act.

Executive further represents and warrants that Executive has not filed, and will not file or initiate, or cause to be filed or initiated on Executive's behalf, any lawsuit against any of the Released Parties before any federal, state, or local agency, court, or other body asserting any Claims barred or released in this General Release, and will not voluntarily participate in such a proceeding. If Executive breaches this promise, and the action is found to be barred in whole or in part by this General Release, Executive agrees to pay the attorneys' fees and costs, or the proportions thereof, incurred by the applicable Released Party in defending against those Claims that are found to be barred by this General Release. Notwithstanding the foregoing, nothing in this General Release shall preclude or prevent Executive from filing a lawsuit which challenges the validity of this General Release. Nothing in this General Release shall preclude or prevent Executive from filing a charge with the United States Equal Employment Opportunity Commission, Securities Exchange Commission, Occupational Health & Safety Administration or a similar state or local agency or pursuant to an applicable whistleblower statute.

Executive may take twenty-one (21) days to consider whether to execute the Agreement containing this General Release. Upon Executive's execution of the Agreement, Executive will have seven (7) days after such execution during which Executive may revoke such execution. In order for a revocation of the Agreement to be effective, written notice of such revocation must be received by Vishay Americas within the aforementioned seven (7) day period. If seven (7) days pass without receipt of such notice of revocation, this Agreement, including the General Release contained herein, shall become binding and effective.

Executive understands that the benefits provided under this Agreement are conditioned on this General Release and the Subsequent Release becoming binding and effective.

7. No Pending or Future Lawsuits. Executive represents that he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against any member of the Company Group or any of the other Released Parties (as defined in the General Release). Executive also represents that he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against any member of the Company Group or any of the other Released Parties.

8. Cooperation. Executive agrees that both before and after the Termination Date, he will cooperate fully with the Company Group and its counsel with respect to any matter (including, without limitation, litigation, investigations, or governmental proceedings) relating to his tenure with the Company Group. Executive shall render such cooperation in a timely manner upon reasonable notice, so long as, following the Termination Date, the Company Group exercises commercially reasonable efforts to schedule and limit its need for Executive's cooperation under this paragraph so as not to interfere with Executive's other personal and professional commitments.

9. Notice of Improper Conduct. Executive represents that he has or will disclose in writing to the General Counsel of the Company prior to the Termination Date any information in his possession or that he knows of concerning any conduct involving the Company Group or any of its current or former employees that he has reason to believe involves any false claims to the United States or is or may be unlawful under any other state or federal law or administrative rule or regulation or violates Company Group policy in any respect. Executive further represents that and hereby affirms that he is not indebted to the Company Group and has not taken and will not take anything of value from the Company Group.

10. Return of Company Property. Executive represents and warrants that Executive shall, on or prior to the Termination Date, return to Vishay Americas any and all property and equipment of it and the Company Group, including but not limited to (i) all keys, files, lists, books and records (and copies thereof) of, or in connection with, the Company Group's business, equipment (including, but not limited to, computer hardware, software and printers, wireless handheld devices, cellular phones and pagers), access or credit cards, Company Group identification, and all other property belonging to the Company Group in Executive's possession or control, and (ii) all documents and copies, including hard and electronic copies, of documents in Executive's possession relating to the business of the Company Group, including without limitation, internal and external business forms, manuals, correspondence, notes and computer programs. Executive shall return all copies and extracts of any of the foregoing and shall not make or retain any copy or extract thereof.

11. Third Party Claims.

(a) Except as otherwise prohibited by law, Executive agrees that he will not knowingly counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Released Parties, unless under a subpoena or other court order to do so. Executive agrees both to immediately notify the General Counsel of the Company upon receipt of any such subpoena or court order, and to furnish, wherever possible, within three (3) business days of its receipt, a copy of such subpoena or court order to the General Counsel. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Released Parties, Executive shall state no more than that he cannot provide counsel or assistance.

(b) Notwithstanding the foregoing, nothing in this Agreement or otherwise will prohibit Executive from reporting possible violations of federal law or regulation to any governmental agency or entity or self-regulatory organization (including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress and any agency Inspector General), or making other disclosures that are protected under the whistleblower provisions of federal law or regulations (it being understood that Executive does not need the prior authorization of Company to make any such reports or disclosures or to notify the Company Group that Executive has made such reports or disclosures).

12. Dispute Resolution. The Parties agree that the dispute resolution provisions in Sections 7.5 and 8.8 of the Employment Agreement shall apply to any and all disputes arising out of or relating to Executive's employment with the Company Group, the cessation of Executive's employment with the Company Group, this Agreement and the Subsequent Release.

13. Representations. Each Party represents that it has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither Party has relied upon any representations or statements made by the other Party hereto which are not specifically set forth in this Agreement.

14. Severability; Substitution. In the event that any provision in this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision so long as the remaining provisions remain intelligible and continue to reflect the original intent of the Parties.

15. Entire Agreement. This Agreement, and the portions of the Employment Agreement expressly surviving hereunder, represent the entire agreement and understanding between the Company Group and Executive concerning the subject matter of this Agreement and Executive's relationship with the Company Group, and supersede and replace any and all prior agreements and understandings between the Parties concerning the subject matter of this Agreement and Executive's relationship with the Company Group.

16. No Oral Modification. Any modification or amendment of this Agreement, or additional obligation assumed by either Party in connection with this Agreement, shall be effective only if placed in writing and signed by both Parties or their authorized representatives.

17. Withholding. The Company Group may withhold from all payments due to Executive (or his beneficiary or estate) under this Agreement all taxes which, by applicable federal, state, local or other law, the Company Group is required to withhold therefrom.

18. No Admissions. Neither the execution of this Agreement by any of the Parties, nor the terms hereof, constitute or should be construed to constitute any admission or evidence of any wrongdoing, liability or violation of any federal, state or local law or the common law on the part of any of the Parties.

19. Taxation. The Company Group makes no guaranty regarding the tax treatment of any compensation paid or payable to Executive and will have no liability to Executive if compensation paid or payable to him does not receive the intended tax treatment.

20. Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without regard for choice of law provisions.

21. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. Any counterpart may be executed and delivered electronically (including via docusign, portable document format or similar method) and a receiving party may rely on the receipt of a document so executed and delivered as if the original had been received.

22. Headings Irrelevant. The headings in this Agreement are intended as a convenience to the reader and are not intended to convey any legal meaning.

23. Voluntary Execution of Agreement. This Agreement is executed voluntarily and with the full intent of releasing all claims, and without any duress or undue influence by any of the Parties. The Parties acknowledge that:

(a) They have read this Agreement;

(b) They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

(c) They understand the terms and consequences of this Agreement and of the releases it contains; and

(d) They are fully aware of the legal and binding effect of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date indicated below.

VISHAY AMERICAS, INC.

By: /s/ Michael S. O'Sullivan
Name: Michael S. O'Sullivan
Title: Senior Vice President
Date: July 15, 2022

VISHAY INTERTECHNOLOGY, INC.

By: /s/ Michael S. O'Sullivan
Name: Michael S. O'Sullivan
Title: Senior Vice President
Date: July 15, 2022

EXECUTIVE

/s/ David Valletta
David Valletta

Date: July 29, 2022

EXHIBIT A

SUBSEQUENT RELEASE

IN CONSIDERATION of the payments, benefits, terms and conditions set forth in the Transition Agreement entered into by and between Vishay Americas, Inc., a Delaware corporation (“Vishay Americas”), Vishay Intertechnology, Inc., a Delaware corporation, (the “Company”) and David Valletta (“Executive”), dated as of July 15, 2022, (the “Agreement”), and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Executive, on behalf of Executive and Executive’s heirs, executors, administrators, and assigns, hereby releases and discharges the Company and Vishay Americas and each of their respective past, present and future subsidiaries, divisions, affiliates and parents, and their respective current and former officers, directors, employees, agents, shareholders, employee benefit plans (and the administrator(s) and fiduciaries of such plans), attorneys, and/or owners, and their respective successors, and assigns, and any other person or entity claimed to be jointly or severally liable with Vishay Americas, the Company or any of the aforementioned persons or entities (the “Released Parties”) from any and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, charges, claims, attorney’s fees, costs, expenses, and demands whatsoever (“Claims”) which Executive and Executive’s heirs, executors, administrators, and assigns have, had, or may hereafter have against the Released Parties or any of them arising out of or by reason of any cause, matter, or thing whatsoever from the beginning of the world to the date hereof (the “Release”). The Claims covered by this Release include, but are not limited to, all Claims relating to or arising out of Executive’s employment by the Company and the cessation thereof. The Claims covered by this Release also include, but are not limited to any and all Claims arising under any employment-related federal, state, or local statute, rule, or regulation, any federal, state or local anti-discrimination law, or any principle of tort, contract law or common law, including but not limited to, 29 U.S.C. §§ 2601 et seq., Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000 et seq., the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621 et seq. (the “ADEA”), the Older Workers Benefit Protection Act, the Equal Pay Act of 1963, as amended, § 29 U.S.C. 206(d); the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §§ 12101 et seq., 42 U.S.C. § 1981, the Worker Adjustment and Retraining Notification Act of 1988, as amended, 29 U.S.C. §§2101 et seq., the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001 et seq., the Genetic Information Nondiscrimination Act of 2008, 42 U.S.C. §§ 200ff et seq., the Connecticut Fair Employment Practices Act, CT Gen. Stat. § 46a-51 et seq., the Connecticut Whistleblower Law, CT Gen. Stat. § 31-51m, the Connecticut Free Speech Law, CT Gen. Stat. § 31-51q, and any other federal, state, or local statute; provided, however, that Executive does not release or discharge the Released Parties from any of the obligations of the Company or Vishay Americas to Executive under or pursuant to (i) Sections 2, 3 and 5 of the Agreement, (ii) Vishay Americas’ employee welfare benefit plans and employee benefit pension plans (other than severance benefit plans) applicable to Executive, subject to the terms and conditions of those plans, or (iii) claims for indemnification under the by-laws or policies of insurance of Vishay Americas or the Company. It is understood that nothing in this Release is to be construed as an admission on behalf of the Released Parties of any wrongdoing with respect to Executive, any such wrongdoing being expressly denied.

If a Claim is not subject to release, to the extent permitted by law, Executive waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceedings based on such a claim in which a Released Party is a party.

Executive represents and warrants that Executive fully understands the terms of this Release, that Executive has been and hereby is encouraged to seek, and has sought, the benefit of advice of legal counsel, and that Executive knowingly and voluntarily, of Executive's own free will, without any duress, being fully informed, and after due deliberation, accepts its terms and signs below as Executive's own free act. Except as otherwise provided herein, Executive understands that, as a result of executing this Release, Executive will not have the right to assert that the Company or any other of the Released Parties unlawfully terminated Executive's employment or violated any of Executive's rights in connection with Executive's employment or otherwise.

Executive further represents and warrants that Executive has not filed, and will not file or initiate, or cause to be filed or initiated on Executive's behalf, any lawsuit against any of the Released Parties before any federal, state, or local agency, court, or other body asserting any Claims barred or released in this Release, and will not voluntarily participate in such a proceeding. If Executive breaches this promise, and the action is found to be barred in whole or in part by this Release, Executive agrees to pay the attorneys' fees and costs, or the proportions thereof, incurred by the applicable Released Party in defending against those Claims that are found to be barred by this Release. Notwithstanding the foregoing, nothing in this Release shall preclude or prevent Executive from filing a lawsuit which challenges the validity of this Release. Nothing in this Release shall preclude or prevent Executive from filing a charge with the United States Equal Employment Opportunity Commission, Securities Exchange Commission, Occupational Health & Safety Administration or a similar state or local agency or pursuant to an applicable whistleblower statute.

Executive may take fifty-three (53) days to consider whether to execute this Release and deliver it to the Company. Upon Executive's execution of the Release, Executive will have seven days during which Executive may revoke such execution. In order for a revocation of the Release to be effective, written notice of such revocation must be received by Michael O'Sullivan, SVP, Corporate General Counsel and Regional Country Manager at the Company, within the aforementioned seven (7) day period. If seven (7) days pass without receipt of such notice of revocation, this Release shall become binding and effective.

Executive understands that the benefits provided under the Agreement are conditioned on this Release becoming binding and effective.

IN WITNESS WHEREOF, Executive has executed this Release on the date indicated below.

EXECUTIVE

____
David Valletta

Date:

TRANSITION AGREEMENT

BETWEEN

VISHAY SINGAPORE PTE. LTD., AND

VISHAY INTERTECHNOLOGY, INC., on the one hand,

AND

CLARENCE TSE, on the other hand

DATED THE 15th DAY OF JULY, 2022

TRANSITION AGREEMENT

This agreement ("**Transition Agreement**") is made on the 15th day of July, 2022

BETWEEN:

(1) **Vishay Singapore Pte. Ltd.** (Company Registration Number 200722858Z), a company incorporated under the laws of Singapore with its registered address at 37A Tampines Street 92, #07-01 Singapore 528886 ("**Vishay Singapore**" or the "**Company**"),

(2) **Vishay Intertechnology, Inc.**, a Delaware corporation with its principal executive offices at 63 Lancaster, Avenue, Malvern, Pennsylvania 19355, USA (the "**Parent**"), and

(3) **Clarence Tse** (Passport Number: [Passport Number Redacted]), a citizen of [Personal Information Redacted] with his registered address at [Personal Address Redacted] (the "**Executive**").

(collectively, the "**Parties**" and each, a "**Party**").

WHEREAS:

(A) The Executive, the Parent, and Vishay Singapore had entered into an employment agreement on 15 February 2018 ("**Original Employment Agreement**") and further amended pursuant to the first amendment to employment agreement on 23 February 2021 (the "**First Amendment Agreement**" and which together with the Original Employment Agreement shall collectively be referred to as the "**Employment Agreements**"); in which the Executive was and continues to be employed as Executive Vice President, Business Head of Semiconductor Business, in accordance with the terms and conditions stated therein.

(B) Vishay Singapore and the Parent (collectively, the "**Employer**") desire to terminate the Executive's employment, effective upon the close of business on 31 December 2022 (the "**Termination Date**").

(C) The Employer and the Executive wish to specify the Executive's responsibilities from the date of this Transition Agreement through the Termination Date (the "**Transition Period**").

(D) The termination of the Executive's employment on the Termination Date shall constitute a termination without Cause under Section 6.1(b) of the Employment Agreements, provided that the Executive's employment has not been previously terminated during the Transition Period by the Employer for Cause or due to the Executive's death or Disability.

(E) Notwithstanding that either of the Parties is entitled to terminate the Employment Agreements in accordance with the terms stated therein, the Parties have mutually agreed to enter into this Transition Agreement to set out the terms and conditions in connection with the Transition Period and the termination of the Employment Agreements.

NOW IT IS HEREBY AGREED as follows:

1. Notwithstanding anything contained in the Employment Agreements, the Parties agree that the Employment Agreements will be terminated with effect from the Termination Date. However, the Parties agree that in the event the Executive's employment ceases prior to the Termination Date due to his death, Disability, or a termination for Cause, the consequences of such termination shall be as set forth in the Employment Agreements.

2. The Executive remains an employee of Vishay Singapore until the Termination Date and shall continue to be entitled to his monthly salary and benefits. However, should Vishay Singapore have a basis to terminate the Executive's employment for Cause at any time up to the Termination Date, Vishay Singapore shall, without prejudice to any other rights it may have, be entitled at any time so terminate the Executive's employment, without any payment or compensation whatsoever (including but not limited to the Severance Benefits (as defined below).

3. The Parties further agree that during the Transition Period:

(a) Unless otherwise notified by Vishay Singapore, the Executive shall continue to carry out his duties as an employee of Vishay Singapore and in accordance with the Employment Agreements and existing policies and directives of the Company;

(b) the Executive shall not engage in any work outside the Company, whether by himself or together with others, and whether for his own benefit or for the benefit of others;

(c) the Executive shall ensure a smooth handover of his duties and take such steps as may be required by the Company or which may otherwise be necessary or desirable for the smooth and proper handing over;

(d) if applicable, the Executive shall resign as director or officer in any company within the Group (as defined below),

(e) Vishay Singapore shall be under no obligation to vest in the Executive or assign to him any powers or duties or to provide work for him;

(f) Vishay Singapore may prohibit and/or limit contact between the Executive and the Company's customers and business contacts, suppliers, employees and/or prospects;

(g) Vishay Singapore may require the Executive not to attend work for all or any part of the Transition Period and may exclude him from any premises of the Company or any of its related corporations; and

(h) Vishay Singapore may require the Executive to work from home and/or to carry out exceptional duties or special projects outside the normal scope of his duties and responsibilities.

4. With effect from the Termination Date, the Employment Agreements shall be terminated and cease to have any force and effect, save as otherwise explicitly provided in this Transition Agreement, and save for any of the Executive's obligations in the Employment Agreements which are expressed to apply following the termination of the same, including without limitation Section 7 therein (Restrictive Covenants). Notwithstanding anything to the contrary in this Transition Agreement, in the event that Executive breaches any of his obligations under Section 7 of the Employment Agreements, any payments or benefits not yet made or provided under Section 5 of this Transition Agreement shall be forfeited immediately. Such forfeiture shall not limit any additional equitable or legal remedies Vishay Singapore and its affiliates may have with respect to Executive's breach.

5. In consideration of the mutual covenants and agreements as set out in this Transition Agreement (and in the case of Vishay Singapore, the agreement to pay the Severance Benefits as set out below), and provided that the Executive's employment has not been terminated by Vishay Singapore for Cause or due to the Executive's death or Disability prior to the Termination Date, and *provided further* that the Executive timely executes this Transition Agreement and the Release described in clause (b) below:

(a) following the Termination Date, (i) the Executive shall be eligible to receive an amount equivalent to the amount he would have received in respect of a 2022 annual bonus, had he remained employed through the annual bonus payment date, determined in the same manner and at the same time as would have been the case in the absence of the Executive's termination of employment, (ii) the Executive shall receive an amount equivalent to three years of his then-current base salary, paid over the three year period commencing on the Termination Date, in accordance with Vishay Singapore's standard payroll practices, provided however, that if a Change in Control (as defined in the Employment Agreements, but that also constitutes a "change in control event" described in Treas. Reg. § 1.409A-3(i)(5)(i)) occurs prior to the Termination Date, the amounts otherwise payable under this clause (ii) will instead be paid in a single lump sum within 60 days of the Termination Date, and (iii) service-based vesting criteria applicable to the Executive's outstanding equity awards shall be deemed satisfied, whereas performance-based vesting criteria will remain in effect through the end of the applicable performance period, and all such awards will be settled in accordance with the applicable award agreements (collectively the "**Severance Benefits**").

For the avoidance of doubt, the Executive acknowledges and agrees that but for his execution of this Transition Agreement and the Release described in clause (b) below, the Executive is not entitled to the Severance Benefits as contemplated under the Employment Agreements.

(b) the Executive acknowledges that the payments and benefits enumerated in this Transition Agreement constitute full and final settlement of all and any such claims, rights, liabilities, demands, salary, bonuses, obligations, acts, agreements, costs, expenses, losses, damages, and actions which the Executive may have in respect of his employment with the Company and each of its related corporations (collectively, the "**Group**"). The Executive hereby unconditionally and irrevocably waives, renounces, disclaims, releases and forever discharges each of the Group companies and their respective current or former shareholders, directors, representatives, officers, employees and agents (collectively, the "**Released Parties**") from any and all claims, rights, liabilities, demands, obligations, acts, agreements, costs, expenses, losses, damages, and actions, of whatsoever kind or nature, and howsoever arising, whether in law or equity, whether under Singapore law or any other laws, whether known or unknown, which the Executive has as at the date hereof or which he at any time hereafter has against the Released Parties arising out of, in connection with or relating to, the Executive's employment with the Group or the termination of such employment both (i) as at the date of this Transition Agreement; AND (ii) as at the Termination Date as if they have been entered afresh by the Executive. The Executive further agrees, that as a condition of receiving the Severance Benefits, the Executive will execute a release of claims substantially in the form attached as <u>Exhibit A</u> hereto (the "**Release**"), within 60 days following the Termination Date. Notwithstanding anything to the contrary herein, the Executive does not release or discharge the Released Parties from any of the Group's obligations under or pursuant to (i) the Company's employee welfare benefit plans and employee benefit pension plans applicable to the Executive (other than severance plans), subject to the terms and conditions of those plans, or (ii) claims for indemnification under the by-laws or policies of insurance of the Company or the Parent.

6. The Executive shall:

(a) on or before the Termination Date, return to the Company, all property of any Group company which is in the Executive's control (as the case may be) and including (without limitation) the following items:

(i) all security cards and keys to any Group company's office premises, cabinets and drawers, and car park discs;

(ii) any and all original and duplicate copies of all the Executive's work products, notes, drawings, memoranda, accounts, records, writing, files, calendars, books, records, notes, specifications, notebooks, correspondences, client or customer lists, proposals to customers, manuals, computer disks, diskettes, and any other magnetic and other media materials the Executive has in his possession and/or control belonging to the Group or containing confidential or proprietary information concerning the Group (including without limitation all confidential information). The Executive undertakes that he will not make or retain copies of any of the same and further undertakes that he will immediately return any such property which subsequently comes into his possession or control in the future;

(iii) all credit cards and charge cards;

(iv) computer equipment (including but not limited to laptops and personal devices) and mobile telephones; and

(v) all and any other property whatsoever belonging to the Group which is in the possession, custody and/or control of the Executive;

(b) on or before the Termination Date,

(i) disclose to the Company all passwords to all password protected files, software and hardware which have been created or protected by the Executive and which are on his computer;

(ii) submit any outstanding expense claims with supporting invoices, receipts or other evidence of payment which claims shall be dealt with in accordance with the Company's normal expense claims policy;

(iii) do and execute all such acts, documents and things as the Company may require of him in his capacity as an Executive of the Company.

7. The Executive agrees and warrants that:

(a) there are no claims which he has against the Released Parties (as defined in Clause 5 above) relating to or arising out of or in connection with his employment with the Group including without limitation, its termination;

(b) he shall not make or attempt to make whether in Singapore or any other jurisdiction, any claim against the Released Parties or commence or attempt to commence against the Released Parties any legal action or any other proceeding whatsoever arising out of, in connection with, or relating to the Executive’s employment with the Group or the termination of the Executive’s employment thereof;

(c) in addition to his duties under the law and contractual obligations, the Executive will not, after the Termination Date, disclose to any person any information of a confidential or secret nature (in any form) relating to any and all aspects of the business of the Group or its clients, customers and suppliers, including but not limited to personnel data, financial information, budgets, reports, business plans, strategies, know-how, formulae, designs, data, specifications, research, processes, procedures and programs, pricing, sales and marketing plans and details of past or proposed transactions;

(d) he shall not at any time after the Termination Date represent or hold himself out in any way as an agent, employee or other representative whatsoever of the Company or any other member of the Group;

(e) he shall forthwith refrain from making, directly or indirectly, any untrue, detrimental or derogatory statement in relation to the Group or its officers or Executives or any statement with the intent of damaging or lowering the reputation of the Group or any of its officers or employees; and

(f) he will cooperate fully and in a timely manner, both before and after the Termination Date, with the Group and its counsel with respect to any matter (including, without limitation, litigation, investigations, or governmental proceedings) relating to his tenure with the Group, upon reasonable notice from the Group, so long as, following the Termination Date, the Group exercises commercially reasonable efforts to schedule and limit its need for Executive’s cooperation under this paragraph so as not to interfere with Executive’s other personal and professional commitments.

8. The termination of the Employment Agreements hereunder, effective as of the Termination Date, shall not release the Executive from any liability for any antecedent breaches or for any other liability of whatsoever nature and howsoever arising which at the time of termination has already accrued.

9. This Transition Agreement shall enure to the benefit of, and shall be binding upon, the successors and assigns of the Parties.

10. The provisions contained herein and/or the documents specifically referenced constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede any pre-existing or other agreement between the parties or any oral or written communications between the parties concerning the subject matter hereof. No statement or inducement (whenever oral or written) with respect to the subject matter hereof by any Party hereto or by any agent or representative of any Party hereto which is not contained in this Transition Agreement shall be valid or binding among the Parties.

11. No provision of this Transition Agreement may be modified, waived or amended except by a written instrument duly executed by each of the Parties. Any such modifications, waivers or amendments shall not require additional consideration to be effective.

12. If any part of this Transition Agreement shall be, or become, void or unenforceable for any reason, this shall not affect any of the remaining provisions of this Transition Agreement and, in the event that part of any provision shall be held to be void or unenforceable but would be valid and enforceable if some part thereof were deleted, such provision shall apply with such modification as may be necessary to make it valid and enforceable.

13. In the event of any inconsistency between a term of this Transition Agreement and a term in the Employment Agreements, this Transition Agreement will prevail to the extent of the inconsistency. Any term which is defined in the Employment Agreements and which is used but not defined in this Transition Agreement shall have the same meaning as the Employment Agreements.

14. Save for the Released Parties, a person who is not a party to this Transition Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

15. This Transition Agreement shall be signed in any number of counterparts and by the parties on separate counterparts, each of which when so executed shall be an original, but all counterparts shall together constitute one and the same document. Any counterpart to this Transition Agreement may be executed and delivered electronically (including via portable document format or similar method) and a receiving party may rely on the receipt of a document so executed and delivered as if the original had been received.

16. This Transition Agreement shall be governed by, and construed in accordance with, the laws of Singapore. In relation to any legal action or proceedings arising out of or in connection with this Agreement, the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Singapore.

****

IN WITNESS WHEREOF this Transition Agreement has been entered into by the Parties hereto.

THE COMPANY

SIGNED BY
/s/ BeeLeng Saw
for and on behalf of

Vishay Singapore Pte. Ltd.

In the presence of:

/s/ Catherine Phang
Name: Catherine Phang
Address: [Personal Address Redacted]

THE PARENT

SIGNED BY
Michael S. O'Sullivan
for and on behalf of

Vishay Intertechnology, Inc.

In the presence of:

/s/ Avner Lahat
Name: Avner Lahat
Address: 63 Lancaster Ave., Malvern, PA U.S.A.

THE EXECUTIVE

SIGNED BY
/s/ Clarence Tse

In the presence of:

/s/ Catherine Phang
Name: Catherine Phang
Address: [Personal Address Redacted]

EXHIBIT A

SUBSEQUENT RELEASE

IN CONSIDERATION of the payments, benefits, terms and conditions set forth in the Transition Agreement entered into by and between Vishay Singapore Pte. Ltd. (Company Registration Number 200722858Z) a Singapore company (the “**Company**”), Vishay Intertechnology, Inc, a Delaware corporation (“**Parent**”) and Clarence Tse (“**Executive**”), dated as of July 15, 2022, (the “**Transition Agreement**”), and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged:

1. The Executive hereby unconditionally and irrevocably waives, renounces, disclaims, releases and forever discharges each of the Group companies and their respective current or former shareholders, directors, representatives, officers, employees and agents (collectively, the "**Released Parties**") from any and all claims, rights, liabilities, demands, obligations, acts, agreements, costs, expenses, losses, damages, and actions, of whatsoever kind or nature, and howsoever arising, whether in law or equity, whether under Singapore law or any other laws, whether known or unknown, which the Executive has as at the date hereof or which he at any time hereafter has against the Released Parties arising out of, in connection with or relating to, the Executive’s employment with the Group or the termination of such employment as at the Termination Date. Notwithstanding anything to the contrary herein, the Executive does not release or discharge the Released Parties from any of the Group’s obligations under or pursuant to (i) the Company’s employee welfare benefit plans and employee benefit pension plans applicable to the Executive (other than severance plans), subject to the terms and conditions of those plans, or (ii) claims for indemnification under the by-laws or policies of insurance of the Company or the Parent. It is understood that nothing in this Subsequent Release is to be construed as an admission on behalf of the Released Parties of any wrongdoing with respect to Executive, any such wrongdoing being expressly denied.

2. The Executive understands that the benefits provided under the Transition Agreement are conditioned on this Subsequent Release becoming binding and effective.

3. Any term which is defined in the Transition Agreement and which is used but not defined in this Subsequent Release shall have the same meaning as the Transition Agreement.

4. This Subsequent Release shall be governed by, and construed in accordance with, the laws of Singapore. In relation to any legal action or proceedings arising out of or in connection with this Subsequent Release, the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Singapore.

IN WITNESS WHEREOF, Executive has executed this Subsequent Release as a Deed on the date indicated below.

____
Clarence Tse
Date: