

VISHAY INTERTECHNOLOGY, INC.

COMPENSATION COMMITTEE CHARTER

(Approved by the Board of Directors effective as of February 25, 2004)

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This Compensation Committee Charter has been adopted by the Board of Directors of Vishay Intertechnology, Inc.

I. Purpose and General Principles

The purpose of the Compensation Committee is to—

- evaluate the performance of the Chief Executive Officer and, based on this evaluation, to determine and approve the compensation of the Chief Executive Officer;
- make recommendations to the Board with respect to compensation of executive officers other than the Chief Executive Officer;
- make recommendations to the Board with respect to compensation of non-management directors; and
- make recommendations to the Board with respect to and administer the Company's incentive compensation plans and equity based plans.

II. Membership and Organization

1. The Committee shall consist of at least three directors, as determined annually by the Board.

2. Members of the Committee shall be appointed by the Board, taking into consideration the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Committee with or without cause at any time.

3. Each member of the Committee shall be free of any material relationship with the Company (either directly or as a partner, shares or officer of an organization that has a relationship with the Company), as affirmatively determined by the Board. The members of the Committee shall also meet all other independence requirements under the rules of the New York Stock Exchange.

4. Each Committee member shall also qualify, in the determination of the Board—
- as a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934; and

- as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

5. Unless a chairman of the Committee is appointed by the Board, the members of the Committee shall elect a chairman of the Committee by majority vote of the full Committee membership. The chairman shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, making regular reports to the Board, and maintaining regular liaison with the Chief Executive Officer and the Chief Financial Officer.

III. Administration and Procedures

General

1. The Committee shall meet at least two times annually.
2. The chairman of the Committee may call a meeting of the Committee upon due notice to each other member at least twenty-four hours prior to the meeting and any member of the Committee may do so upon due notice at least forty-eight hours prior to the meeting. To the extent practicable, an agenda shall be distributed along with the notice of meeting.
3. A majority of the members shall constitute a quorum. If a quorum is present, a majority of the members present shall decide any question brought before the Committee.
4. The Committee shall cause to be prepared and filed with the records of the Company minutes of each of its meetings.
5. The Committee shall report to the Board regularly regarding its proceedings.
6. The Committee shall have authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its discretion.
7. The Committee shall conduct and present to the Board an annual performance evaluation of the Committee.
8. The Committee shall review and assess the adequacy of this charter on an annual basis and shall submit any proposed amendments to the Board for approval.

Consultations

9. The Committee shall have sole authority to retain and terminate any compensation consultant to assist in the evaluation of director, chief executive officer or senior executive compensation, including sole authority to approve the search firm’s fees and other retention terms.

10. The Committee may consult with any officer, employee, internal auditor or professional advisor of the Company, as it determines necessary or desirable to perform its responsibilities under this charter. It is anticipated generally that, in considering the compensation of senior executive officers other than the chief executive officer and in determining awards to such senior executive officers under plans administered by the Committee, the Committee will consult with the chief executive officer.

11. The Committee shall meet once each year with the Company's independent auditors to discuss compliance with the compensation arrangements for senior executive officers approved by the Committee and the Board and any other matters relating to the Committee's responsibilities under this charter as the Committee deems appropriate.

IV. Responsibilities

Compensation of the Chief Executive Officer

1. The Committee shall review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Chief Executive Officer.

2. The Committee shall evaluate at least once a year the Chief Executive Officer's performance in light of the established corporate goals and objectives and, based upon this evaluation, shall determine and approve the Chief Executive Officer's annual compensation, including salary, bonus, incentive and equity compensation.

3. In determining long-term incentive component of the Chief Executive Officer compensation, the Committee shall consider—

- the Company's performance and relative stockholder return;
- the value of similar incentive awards to chief executive officers at comparable companies;
- the awards granted to the Chief Executive Officer in previous years;
- and such other factors as the Committee deems relevant.

Compensation of Other Officers and Directors

4. The Committee shall review on an annual basis and recommend to the Board the compensation structure for the Company's other senior executive officers, including with respect to equity and other incentive-based compensation.

5. The Committee shall recommend to the Board the compensation arrangements for Board members, including, to the extent the Committee deems appropriate, retainers, committee and committee chair fees, equity and other incentive based compensation and retirement benefits.

Agreements

6. The Committee shall review and recommend to the Board for approval all employment, severance, retirement, change of control and any other agreements between the Company and its senior executive officers.

Benefit Plans

7. The Committee shall review the design and implementation of the Company's equity and other incentive compensation plans and recommend to the Board adoption of and/or changes to such plans as the Committee deems appropriate.

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

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

Other

10. The Company shall produce the report on executive compensation to be included under the rules of the Securities and Exchange Commission in the Company's annual proxy statement.