

VISHAY PRECISION GROUP, INC.
COMPENSATION COMMITTEE CHARTER

(effective as of March 6, 2014)



VISHAY PRECISION GROUP, INC.

COMPENSATION COMMITTEE CHARTER

This Compensation Committee Charter has been adopted by the Board of Directors (the “Board”) of Vishay Precision Group, Inc. (the “Company”).

I. Purpose and General Principles

The purpose of the Compensation Committee (the “Committee”) is to –

- review and approve corporate goals and objectives relevant to the compensation of the Company’s executive officers, evaluate the performance of the executive officers in light of those goals and objectives and, based on this evaluation, to determine and approve the compensation of the Company’s executive officers;
- make recommendations to the Board with respect to director compensation; and
- oversee and administer the Company’s incentive compensation plans and equity based plans and provide oversight of management’s decisions regarding performance and compensation of other employees.

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, shareholder 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 (the “Code”).

5. Unless a chairman of the Committee is appointed by the Board, the members of the Committee shall elect a chairman of the Committee by majority vote of the full Committee membership. The chairman shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, making regular reports to the Board, and maintaining regular liaison with the 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 expert, outside consultant, external legal, accounting, compensation or other advisor (a “Committee Consultant”) to assist in the evaluation of director and executive officer compensation, including sole authority to approve the compensation consultant’s fees and other retention terms. The Committee shall not retain or obtain advice from any Committee Consultant without first taking into consideration factors relevant to such advisor’s independence specified in NYSE Listed Company Manual Section 303A.05(c) (or any successor provision) and considering and addressing any conflicts of interest between the Company and such advisor; provided, however, that no such independence assessment shall be required where the Committee Consultant’s role is limited to the following activities: (i) consulting on any broad based plan that does not discriminate in scope terms or operation in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the Committee Consultant, and about which the Committee Consultant does not provide advice. The Committee shall conduct an independence assessment of any Committee Consultant at least once a year.

10. The Committee may also consult with any officer, employee, or internal auditor of the Company, as it determines necessary or desirable to perform its responsibilities under this charter. It is anticipated generally that, in considering the compensation of executive officers other than the Chief Executive Officer and in determining awards to such 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 Executive Officers

1. The Committee shall, at least annually, (i) review and approve the goals and objectives with respect to compensation of each of the Company’s executive officers; and (ii) evaluate the executive officer’s performance in light of the established goals and objectives for the officer and, based upon this evaluation, determine and approve the compensation, including salary, bonus, and incentive compensation, of each executive officer.

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

3. In evaluating the long-term incentive component of each executive officer's compensation, the Committee shall consider –

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

Compensation of Directors

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

Compensation and Benefit Plans

5. 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.

6. The Committee shall act as the committee of the Board designated to administer any cash bonus plan of the Company. With respect to any plan that is intended to provide "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, the Committee, to the extent necessary under the terms of such plan and Section 162(m), shall determine the performance goals and certify whether and the extent to which such goals have been achieved and shall timely take all other action as may be necessary to comply with the requirements of Section 162(m) of the Code.

7. 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.

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

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

Other

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

11. The Committee shall review, and discuss with the Company's management, the Compensation Discussion and Analysis ("CD&A") to be included in the Company's annual report on Form 10-K and proxy statement and determine whether to recommend to the Board that the CD&A be included in the proxy statement.

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