Vishay Precision Group, Inc.
Form DEF 14A
April 10, 2015
SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ]	Preliminary Proxy Statement [ ] Soliciting Material Under Rule 14a-12
[ ]	Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[X]	Definitive Proxy Statement
[ ]	Definitive Additional Materials

VISHAY PRECISION GROUP, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

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1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

VISHAY PRECISION GROUP, INC.
3 GREAT VALLEY PARKWAY
SUITE 150
MALVERN, PENNSYLVANIA 19355

April 10, 2015

Dear Stockholder:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of Vishay Precision Group, Inc., to be held at 9:00 a.m., local time, on Thursday, May 21, 2015, at The Desmond Hotel and Conference Center, 1 Liberty Boulevard, Malvern, PA 19355. The Board of Directors looks forward to greeting you personally at the annual meeting.

During the annual meeting, we will discuss each item of business described in the attached Notice of Annual Meeting of Stockholders and proxy statement and provide a report on Vishay Precision Group's business operations. There will also be time for questions.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of Vishay Precision Group. We hope you will be able to attend the annual meeting. Whether or not you expect to attend the annual meeting, and regardless of the number of shares you own, it is important to us and to our business that your shares are represented and voted at the annual meeting. Therefore, you are encouraged to vote over the Internet, as well as by telephone, or, if you requested to receive printed proxy materials, by mailing a proxy or voting instruction card, so that your shares will be represented and voted at the 2015 Annual Meeting. Please review the instructions on each of your voting options described in this proxy statement, as well as in the Notice of Internet Availability of Proxy Materials you received in the mail.

Sincerely,

/s/ Marc Zandman
Marc Zandman
Chairman of the Board of Directors

VISHAY PRECISION GROUP, INC.
3 GREAT VALLEY PARKWAY
SUITE 150
MALVERN, PENNSYLVANIA 19355

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON THURSDAY MAY 21, 2015

The 2015 Annual Meeting of Stockholders of Vishay Precision Group, Inc. will be held at The Desmond Hotel and Conference Center, 1 Liberty Boulevard, Malvern, PA 19355, on Thursday, May 21, 2015 at 9:00 a.m., local time. The meeting will be held to consider and act upon:

1. The election of five directors to hold office until the annual meeting of stockholders in 2016;

2. The ratification of our independent registered public accounting firm for fiscal year 2015; and

3. Such other business as may be brought properly before the meeting.

Our stockholders of record at the close of business on April 1, 2015 will be entitled to vote at the annual meeting or at any adjournment thereof. Whether or not you expect to attend the meeting in person, we encourage you to read this proxy statement and submit your proxy or voting instructions as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions under the heading "How do I vote my shares? Can I vote electronically?" on page 3 of this proxy statement; the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail; or, if you requested to receive printed proxy materials, your enclosed proxy card.

By Order of the Board of Directors,

/s/ Roland B. Desilets
Roland B. Desilets
General Counsel and Corporate Secretary

Malvern, Pennsylvania
April 10, 2015

Important Notice Regarding the Availability of Proxy Materials for the
Annual Meeting of Stockholders to be Held on May 21, 2015.

The Proxy Statement for the 2015 Annual Meeting of Stockholders and our 2014 Annual Report to Stockholders are available for view on the Investor Relations page of our proxy website:

http://www.vpgsensors.com

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VISHAY PRECISION GROUP, INC.
3 GREAT VALLEY PARKWAY
SUITE 150
MALVERN, PENNSYLVANIA 19355

PROXY STATEMENT

The accompanying proxy is solicited by the Board of Directors of Vishay Precision Group, Inc. for use at the 2015 Annual Meeting of Stockholders to be held at The Desmond Hotel and Conference Center, 1 Liberty Boulevard, Malvern, PA 19355 on Thursday, May 21, 2015 at 9:00 a.m., local time, or any adjournments thereof.

ABOUT THE MEETING

Why are we holding the 2015 Annual Meeting?

As a matter of good corporate practice, and in compliance with applicable corporate law and the rules of the New York Stock Exchange, we hold a meeting of stockholders annually. This year's meeting will be held on May 21, 2015. There will be at least two items of business that must be voted on by our stockholders at the meeting, and our Board of Directors (the "Board") is seeking your proxy to vote on these items. This proxy statement contains important information about Vishay Precision Group, Inc. and the matters that will be voted on at the meeting. Please read these materials carefully so that you have the information you need to make informed decisions. Throughout this proxy statement, we will refer to ourselves as "Vishay Precision Group, Inc.," "VPG," "we," "our," or the "Company."

Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules adopted by the Securities and Exchange Commission ("SEC"), we may furnish proxy materials, including this proxy statement and our 2014 Annual Report to Stockholders, to our stockholders by providing access to such documents on the Internet instead of mailing printed copies. Most stockholders will not receive printed copies of the proxy materials unless they request them. Instead, the Notice of Internet Availability of Proxy Materials (the "Notice"), which is being mailed to our stockholders on or about April 10, 2015, will instruct you as to how you may access and review all of the proxy materials on the Internet. The Notice also instructs you as to how you may submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice.

What is a proxy?

A proxy is your legal designation of another person to vote the shares of stock that you own. The person you designate to vote your shares is also called a proxy. When you submit a proxy, the people named on the proxy card are required to vote your shares at the annual meeting in the manner you have instructed.

What is the record date and why is it important?

The record date is the date used by our Board to determine which stockholders are entitled to receive notice of, and vote on the items presented at, the annual meeting. Our Board established April 1, 2015 as the record date for the 2015 Annual Meeting.

What is the difference between "Stockholders of Record" and "Beneficial Owners"?

If your shares are registered directly in your name with our transfer agent, you are considered to be the stockholder of record of those shares. The proxy statement, annual report and proxy card have been sent directly to you by the Company.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name." This proxy statement and annual report have been forwarded to you by your broker, bank, or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank, or nominee how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting.

Who can attend the meeting?

All stockholders as of the record date, or their duly appointed proxies, are invited to attend the meeting.

What proposals will I be voting on and how does the Board of Directors recommend I vote?

The Board's recommendations are set forth together with the description of each proposal in this proxy statement. In summary, the Board recommends a vote:

- FOR the election of five directors to hold office for terms of one year or until their successors are duly elected and qualified (see Proposal One);
- FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the year ending December 31, 2015 (see Proposal Two); and
- for or against any other matters that come before the 2015 Annual Meeting, as the proxy holders deem advisable.

Does VPG have more than one class of stock outstanding?

We have two classes of stock outstanding, common stock and Class B common stock. On the record date, there were 12,664,208 shares of common stock and 1,025,158 shares of Class B common stock outstanding and entitled to vote.

What are the voting rights of each class of stock?

Each share of common stock will be entitled to one vote and each share of Class B common stock will be entitled to 10 votes with respect to each matter to be voted on at the annual meeting.

A list of stockholders entitled to vote at the annual meeting will be available for examination by VPG's stockholders during ordinary business hours for a period of ten days prior to the annual meeting at our headquarters, 3 Great Valley Parkway, Suite 150, Malvern, Pennsylvania 19355. A stockholder list will also be available for examination at the annual meeting.

What constitutes a quorum?

A quorum is the minimum number of votes required to be present at the annual meeting to conduct business. As set forth in VPG's by-laws, the holders of a majority of the votes represented by the outstanding shares of common stock and Class B common stock, voting together as a single class, present in person or represented by proxy, will constitute a quorum for the transaction of business at the annual meeting.

What vote is required to approve each proposal?

On each matter to be voted on at the 2015 Annual Meeting, the holders of common stock and Class B common stock will vote together as a single class. Assuming a quorum is present, the vote required and method of calculation for the proposals to be considered at the annual meeting are as follows:

- Proposal One. The election of five directors to hold office for terms of one year, or until their successors are duly elected and qualified, requires a plurality of the votes cast with respect to each directorship.
- Proposal Two. The ratification of the appointment of Ernst & Young LLP as VPG's independent registered public accounting firm for the year ending December 31, 2015 requires the affirmative vote of a majority of the votes cast on Proposal Two.
- Other Matters. All other matters voted on at the 2015 Annual Meeting will be determined by the affirmative vote of a majority of the votes cast at the Meeting. Aside from the two proposals above, we are not aware of any other matter to be presented at the 2015 Annual Meeting.

How are abstentions and broker non-votes considered?

Shares represented by proxies that are properly marked "abstain" will be counted for purposes of determining the presence of a quorum at the 2015 Annual Meeting. Abstentions will have no effect on the election of directors under Proposal One or on the vote under Proposal Two.

Brokers holding shares for beneficial owners in street name must vote those shares according to specific instructions they receive from the beneficial owners. If instructions are not received, brokers may only vote the shares, in their discretion, on matters for which they are not precluded from exercising their discretion by the rules of the New York Stock Exchange ("NYSE"). Under the NYSE rules, a broker is permitted to vote shares on routine matters, which include ratifying the appointment of independent auditors, but do not include the election of directors or the approval, on an advisory basis, of a resolution approving our executive compensation. Accordingly, brokers may vote in their discretion only on Proposal Two. For your vote to be counted with respect to Proposal One, you will need to communicate your voting decisions to your bank, broker or other holder of record before the date of the 2015 Annual Meeting.

A broker "non-vote" occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Broker non-votes will be counted in determining whether there is a quorum at the annual meeting but will not be regarded as votes cast. Because the Company has a plurality voting standard for the election of directors and because the other proposal on the agenda will be determined by a majority of the votes cast, broker non-votes will have no effect on the outcome of the vote on any of the proposals.

How do I vote my shares? Can I vote electronically?

If you are a holder of record of our common stock as of the record date, there are four ways to vote:

- On the Internet. You can vote over the Internet at www.proxyvote.com, 24 hours a day, seven days a week, by following the instructions on your proxy card. You will need the 12-digit control number included on your proxy card.

- Over the Phone. You can vote using a touch-tone telephone by calling 1-800-690-6903, 24 hours a day, seven days a week, and following the instructions on your proxy card.

- By Mail. If you requested a copy of our proxy materials by mail, you may complete, sign and mail your enclosed proxy card to Vote Processing, c/o Broadridge Financial Solutions, 51 Mercedes Way, Edgewood, NY 11717.

- In Person. You may vote by written ballot at the annual meeting.

The shares represented by your proxy, whether voted using the Internet, by phone, or mail, will be voted as directed with respect to each of the proposals set forth in the proxy statement, OR, if no direction is indicated by your proxy for a proposal, at the recommendation of the Board.

You may either vote "for all" or "withhold" your vote for the election of the director nominees under Proposal One, or you may vote for only some of the nominees. You may vote "for," "against," or "abstain" on Proposal Two .

Whether or not you plan to attend the meeting, we strongly encourage you to vote by proxy prior to the meeting.

Can I change my vote after I return my proxy card?

Yes. You may revoke your proxy at any time before it is voted at the 2015 Annual Meeting. In order to revoke your proxy, you may either:

- sign, and timely return, another proxy card bearing a later date;
- provide written notice of the revocation to VPG's Corporate Secretary; or
- attend the annual meeting and vote in person.

If your shares are held in a stock brokerage account or by a bank or other nominee, you must follow the instructions provided by your broker, bank, or nominee on how to revoke your proxy.

What will happen if I provide my proxy but do not vote on one or more proposals?

If you are the record holder of your shares, you should provide voting instructions for all proposals appearing on the proxy card. The persons named as proxies on the enclosed proxy card will vote your shares according to your instructions. However, if you fail to provide instructions on how you want your shares to be voted, properly signed and dated proxies will be voted in accordance with the recommendation of the Board.

If you hold your shares in "street name," you should provide voting instructions for all proposals appearing on the proxy card to your broker, bank, or other holder of record. If you do not provide voting instructions for all proposals, your broker, bank, or other holder of record might not be authorized to vote your shares on certain matters, in which event they will be recorded as "broker non-votes." See the discussion under the heading "How are abstentions and broker non-votes considered?" above.

What will happen if I do not provide my proxy?

If you are a stockholder of record, your shares will not be voted unless you attend the 2015 Annual Meeting and vote your shares in person.

If you are the beneficial owner of shares held in street name, your broker, bank, or other holder of record might not be authorized to vote your shares on certain matters and they will be recorded as "broker non-votes." See the discussion under the heading "How are abstentions and broker non-votes considered?" above.

Who paid to send me the proxy materials?

The cost of production and mailing of proxy materials, and the solicitation of proxies, is borne by VPG. The Board may use the services of VPG's directors, officers and other regular employees to solicit proxies personally or by telephone. Arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of the shares held of record by such fiduciaries, and VPG will reimburse them for the reasonable expenses incurred by them in so doing.

GOVERNANCE OF THE COMPANY

How is VPG governed?

At VPG, day-to-day business activities are carried out by our employees under the direction and supervision of Ziv Shoshani, our Chief Executive Officer ("CEO"). The Board oversees these activities. In doing so, each director is required to apply his or her business judgment in the best interests of VPG and its stockholders. The Board's primary responsibilities include:

- Review of our performance, strategies, and major decisions;
- Oversight of our compliance with legal and regulatory requirements and the integrity of our financial statements;
- Oversight of management, including review of the CEO's performance and succession planning for key management roles; and
- Oversight of compensation for the CEO, key executives and the Board, as well as oversight of compensation policies and programs for all employees.

Additional description of the Board's responsibilities is included in our Corporate Governance Principles document, which is available to stockholders on our website and in print upon request, as described in this proxy statement.

Where can I find more information about the corporate governance practices of VPG?

Various corporate governance related documents are available on our website, including:

- Corporate Governance Principles
- Code of Business Conduct and Ethics
- Code of Ethics Applicable to the Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer or Controller
- Audit Committee Charter
- Nominating and Corporate Governance Committee Charter
- Compensation Committee Charter

To view these documents, access our Investor Relations page at http://ir.vpgsensors.com and click on "Corporate Governance." Any of these documents can be obtained in print by any stockholder upon written request to VPG's investor relations department.

We intend to post any amendments to, or any waivers from, a provision of our Code of Ethics Applicable to the Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer or Controller on our website.

What is the composition of our Board of Directors?

VPG has a single class of directors, all of whom are elected annually. The number of directors is fixed by the Board, subject to a maximum of nine directors as provided in the Company's charter documents. There are currently five members of the Board. As described in Proposal One, all five directors are nominated to serve for a term expiring at the annual meeting of stockholders in 2016. Biographical information on each of the directors is included in Proposal One.

How does the Board determine which directors are considered independent?

The Board has determined that, to be considered independent, an outside director may not have a direct or indirect material relationship with VPG. A material relationship is one which impairs or inhibits, or has the potential to impair or inhibit, a director's exercise of critical and disinterested judgment on behalf of VPG and its stockholders. The materiality standard applied by the Board includes, but is not limited to, the disqualifying relationships set forth in the governance listing standards of the NYSE.

Accordingly, the Board has concluded that Dr. Samuel Broydo, Saul Reibstein and Timothy Talbert qualify as independent directors. The Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee of the Board are composed entirely of independent directors.

How often did the Board meet during 2014?

The Board met seven times during 2014. In 2014, each director attended all of the meetings of the Board and any Committee on which such director served. Each of our five directors attended the 2014 annual meeting stockholders. It is the policy of the Board that directors are expected to attend the 2015 Annual Meeting and all future annual meetings of stockholders.

What is the role of the Board's Committees?

Nominating and Corporate Governance Committee - The functions of the Nominating and Corporate Governance Committee include identifying individuals qualified to become members of the Board; selecting, and recommending that the Board approve the director nominees for the next annual meeting of stockholders; developing and recommending to the Board a set of corporate governance principles for VPG; overseeing the evaluation of the Board and the management of VPG; administering VPG's Related Party Transactions Policy; and performing other related functions specified in the Committee's charter. A copy of the Committee's charter is available to stockholders on our website and in print upon request.

The chairman of the Nominating and Corporate Governance Committee is designated under our Corporate Governance Principles to preside at the executive sessions of the Board's non-management directors. The current chairman of the Nominating and Corporate Governance Committee is Mr. Talbert.

Audit Committee - The functions of the Audit Committee include overseeing VPG's accounting and financial reporting processes; overseeing the audits of our consolidated financial statements and the effectiveness of our internal control over financial reporting; assisting the Board in its oversight of the integrity of our financial statements, our compliance with legal and regulatory requirements, the independence and qualifications of our independent registered public accounting firm, and the performance of our internal audit function and independent registered public accounting firm; and performing other related functions specified in the Committee's charter. The Audit Committee consists of three non-management directors, each of whom satisfies the independence requirements of the rules of the SEC and the governance listing requirements of the NYSE. All of the members of the Committee also satisfy the financial literacy requirements of the NYSE and the Board has determined that Mr. Reibstein, the chairman of the Committee, qualifies as an audit committee financial expert under the rules of the SEC. A copy of the Committee's charter is available to stockholders on our website and in print upon request.

Compensation Committee - The functions of the Compensation Committee include evaluating the performance of the Company's executive officers and, based on this evaluation, determining and approving the compensation of the executive officers; making recommendations to the Board with respect to, and administering, our incentive compensation plans and equity based compensation plans; and performing other related functions specified in the Committee's charter. The Compensation Committee is authorized, within the limits of the Company's Amended and Restated 2010 Stock Incentive Program, as amended (the "2010 Stock Incentive Program"), to determine the individuals who are to receive awards; the type of awards, including stock, stock options, restricted stock and restricted stock units ("RSUs"), and the vesting requirements with respect to those awards, and to administer and interpret the 2010 Stock Incentive Program. Dr. Broydo is the chairman of this Committee. A copy of the Committee's charter is available to stockholders on our website and in print upon request.

Board Leadership Structure and Role in Risk Oversight

The Board believes that it is important to retain the flexibility to combine or separate the responsibilities of the offices of Chairman of the Board and CEO, as may be in the best interests of the Company from time to time.

The significant experience of Mr. Marc Zandman, our Chairman, with the Company's business (as a subsidiary of Vishay Intertechnology, Inc. ("Vishay Intertechnology") prior to the spin-off) uniquely qualifies him to serve as the Board's non-executive Chairman. At the same time, the active membership of our CEO, Mr. Ziv Shoshani, assures our Board of the benefit of his comprehensive knowledge of the Company's business, day-to-day operations, industry and competitive challenges.

Management continually monitors the material risks facing the Company, including financial risk, strategic risk, operational risk, and legal and compliance risk. The Board is responsible for exercising oversight of management's identification and management of, and planning for, those risks. Although the Board is ultimately responsible for risk

oversight at the Company, the Board has delegated to certain Committees oversight responsibility for those risks that are directly related to their respective areas of focus.

- The Audit Committee reviews our policies and guidelines with respect to risk assessment and risk management, including our major financial risk exposures, and oversees the steps management has taken to monitor and control those exposures.
- The Compensation Committee considers risk issues when establishing and administering our compensation programs for executive officers and other key personnel.
- The Nominating and Corporate Governance Committee oversees corporate governance risks, including matters relating to the composition and organization of the Board and recommends to the Board how its effectiveness can be improved by changes in its composition and organization.

Each of these Committees routinely reports to the Board on the management of these specific risk areas. To permit the Board and its Committees to perform their respective risk oversight roles, individual members of management who supervise the Company's risk management report directly to the Board or the relevant committee of the Board responsible for overseeing the management of specific risks, as applicable. For this purpose, management has a high degree of access and communication with the Board and its Committees.

The Board believes that open and constructive communication between management and the Board is essential for effective risk management and oversight. Members of the Company's senior management regularly attend Board and committee meetings and are available to address any questions or concerns raised on matters related to risk management. The Board and its Committees exercise their risk oversight function by carefully evaluating the reports they receive from management and by making inquiries of management with respect to areas of particular interest to the Board.

The following table summarizes the composition of these Committees:

	Audit Committee	Nominating & Corporate Governance Committee	Compensation Committee
Marc Zandman	—	—	—
Samuel Broydo	*	*	**
Saul Reibstein	**	*	*
Timothy Talbert	*	**	*
Ziv Shoshani	—	—	—
No. of Meetings during 2014	7	1	7

* – Member

** – Chairman

How does the Board select nominees for the Board?

In selecting candidates for nomination at the annual meeting of our stockholders, the Nominating and Corporate Governance Committee begins by determining whether the incumbent directors whose terms expire at the meeting desire, and are qualified, to continue their service on the Board. We are of the view that the repeated service of qualified incumbents promotes stability and continuity in the boardroom, giving us the benefit of the familiarity and insight into our affairs that our directors have accumulated during their tenure and contributing to the Board's ability to work as a

collective body. Accordingly, it is the policy of the Nominating and Corporate Governance Committee, absent special circumstances, to nominate qualified incumbent directors who continue to satisfy the Committee's criteria for membership on the Board; who the Committee believes will continue to make important contributions to the Board; and who consent to stand for re-election and, if re-elected, to continue their service on the Board. If there are Board positions for which the Committee will not be re-nominating a qualified incumbent, the Committee will solicit recommendations for nominees from persons who the Committee believes are likely to be familiar with qualified candidates, including members of the Board and senior management.

The Nominating and Corporate Governance Committee may also engage a search firm to assist in identifying qualified candidates. If such a search firm is engaged, the Committee sets the fees and scope of engagement. The Nominating and Corporate Governance Committee will review and evaluate each candidate who it believes merits serious consideration, taking into account all available information concerning the candidate, the qualifications for Board membership established by the Committee, the existing composition and mix of talent and expertise on the Board and other factors that it deems relevant. In conducting its review and evaluation, the Nominating and Corporate Governance Committee may solicit the views of management and other members of the Board and may, if deemed helpful, conduct interviews of proposed candidates. The Nominating and Corporate Governance Committee will evaluate candidates recommended by stockholders in the same manner as candidates recommended by other persons, except that the Committee may consider, as one of the factors in its evaluation of stockholder-recommended candidates, the size and duration of the interest of the recommending stockholder or stockholder group in the equity of VPG and whether the stockholders intend to continue holding that interest through the annual meeting date.

What qualifications must a director have?

Under a policy formulated by our Nominating and Corporate Governance Committee, we generally require that all candidates for director:

- be persons of integrity and sound ethical character;
- be able to represent all stockholders fairly;
- have no interests that materially conflict with those of VPG and its stockholders;
- have demonstrated professional achievement;
- have meaningful management, advisory or policy making experience;
- have a general appreciation of the major business issues facing VPG; and
- have adequate time to devote to serve on the Board.

A limited exception to some of these requirements, other than the requirements of integrity and ethics and the absence of material conflict, may be made for a holder of substantial voting power. Directors may not stand for re-election after the age of 75 unless the Board makes an affirmative determination that, because of the importance and value of the continued service of a director, the retirement policy should be waived, except that no director may stand for re-election after age 85. This policy does not apply to any person who controls more than 20% of the voting power of the Company. We also require that a majority of directors be independent; at least three of the directors have the financial literacy necessary for service on the audit committee and at least one of these directors qualifies as an audit committee financial expert; at least some of the independent directors have served as senior executives of public or substantial private companies; and at least some of the independent directors have general familiarity with the major industries in which we operate. Additionally, while the Company does not have a formal policy with respect to the consideration of diversity in identifying director candidates, the benefits of board diversity are considered in the nominations process, including diversity of background and experience.

Can I recommend a nominee for director?

Yes. The Nominating and Corporate Governance Committee will consider recommendations for director nominations submitted by stockholders entitled to vote generally in the election of directors. Submissions must be made in accordance with the Nominating and Corporate Governance Committee's procedures, as outlined herein and set forth on our website. For each annual meeting of our stockholders, the Nominating and Corporate Governance Committee will accept for consideration only one recommendation per stockholder or affiliated group of stockholders. The Nominating and Corporate Governance Committee will only consider candidates who satisfy our minimum qualifications for director, as summarized in this proxy statement and as set forth on our website. Stockholders should be aware, as discussed

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herein, that it is our general policy to re-nominate qualified incumbent directors and that, absent special circumstances, the Committee will not nominate other candidates when a qualified incumbent director consents to stand for re-election.

A stockholder wishing to recommend to the Nominating and Corporate Governance Committee a candidate for election as director must submit the recommendation in writing, addressed to the Committee, care of our Corporate Secretary, at Vishay Precision Group, Inc., 3 Great Valley Parkway, Suite 150, Malvern, PA 19355. Submissions must be made by mail, courier, or personal delivery. E-mailed submissions will not be considered. Submissions recommending candidates for election at an annual meeting of stockholders must generally be received no later than 120 calendar days prior to the first anniversary of the date of the proxy statement for the prior annual meeting of stockholders. However, in the event that the date of an annual meeting of stockholders is more than 30 days following the first anniversary date of the annual meeting of stockholders for the prior year, the submission must be made a reasonable time in advance of the mailing of our proxy statement for the current year. Each nominating recommendation must be accompanied by the information called for by our "Procedures for Securityholders' Submission of Nominating Recommendations," which is available upon request. This includes specified information concerning the stockholder or group of stockholders making the recommendation and the proposed nominee, any relationships between the recommending stockholder or stockholders and the proposed nominee and the qualifications of the proposed nominee to serve as director. The recommendation must also be accompanied by the consent of the proposed nominee to serve if nominated and elected and the agreement of the nominee to be contacted by the Committee, if the Committee decides in its discretion to do so.

In addition to being entitled to make a recommendation that the Committee nominate a candidate for election as a director, stockholders are also entitled to nominate candidates themselves for election to the Board at a meeting of stockholders, by providing the necessary information by the applicable deadlines. See the discussion under the heading "Stockholder Proposals and Nominations for the 2016 Annual Meeting" below.

How do stockholders and others communicate with the Board?

VPG stockholders may communicate with the Board, any Committee of the Board or any individual director, and any interested party may communicate with the non-management directors of the Board as a group, by delivering such communications either in writing addressed to our Corporate Secretary at Vishay Precision Group, Inc., 3 Great Valley Parkway, Suite 150, Malvern, PA 19355; or by e-mail to boardofdirectors@vpgsensors.com. Communications should not exceed 1,000 words.

All communications must be accompanied by the following information: (i) if the person submitting the communication is a securityholder, a statement of the type and amount of the securities of VPG that the person holds; (ii) if the person submitting the communication is not a securityholder and is submitting the communication to the non-management directors as an interested party, the nature of the person's interest in VPG; (iii) any special interest, meaning an interest not in the capacity as a stockholder of VPG, of the person in the subject matter of the communication; and (iv) the address, telephone number and e-mail address, if any, of the person submitting the communication. Communications addressed to directors may, at the direction of the directors, be shared with VPG's management.

DIRECTOR COMPENSATION

During 2013, the Compensation Committee engaged the services of Meridian Compensation Partners, LLC ("Meridian") to advise the Compensation Committee on compensation matters, including compensation for non-employee directors. Based on input from Meridian, and at the recommendation of the Compensation Committee, the Board adopted the 2014 Non-Employee Director Compensation Plan (the "NEDC Plan"), effective as of the date of the 2014 Annual Meeting. Under the NEDC Plan, concurrent with the 2014 annual meeting, each non-employee director received an annual retainer fee of $30,000 for serving on the Board, excluding the Chairman, who received an annual retainer fee of $75,000 for his service. In addition, under the NEDC Plan, the chairmen of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee received an annual retainer of $10,000 for their services as chairmen of their respective committees.

Under the NEDC Plan, each of our non-employee directors, other than our Chairman, was granted RSUs worth $40,000 effective immediately upon his election at the 2014 annual meeting. Our chairman was granted RSUs worth $55,000 effective immediately upon his election at the 2014 annual meeting. The number of RSUs granted is based on the average closing price of our common stock on the New York Stock Exchange for the five consecutive trading days immediately preceding the date of grant. These grants will vest on May 22, 2015 (the first anniversary of their grant date), subject to each non-employee director's continued service on the board.

Our director who is also an employee of VPG did not receive any additional compensation for his service as a director. See discussion herein under the heading "Executive Compensation."

The following table provides information with respect to the compensation paid or provided to the Company's non-management directors during 2014:

Name	Fees Earned and Paid in Cash	Stock Awards (1)	Total
Samuel Broydo	$ 40,000	$ 39,804	$ 79,804
Saul Reibstein	$ 40,000	$ 39,804	$ 79,804
Timothy Talbert	$ 40,000	$ 39,804	$ 79,804
Marc Zandman (2)	$ 75,000	$ 54,731	$ 129,731

(1) Each of the directors was granted RSUs in 2014 under the 2010 Stock Incentive Program. The RSUs vest on the first anniversary of the 2014 annual meeting. The grant-date fair value of RSUs is recognized over the vesting period. The amounts presented in the table represent the aggregate grant-date fair value of the RSUs computed in accordance with FASB ASC Topic 718 and the assumptions as set forth in Note 10 of our consolidated financial statements on Form 10-K filed on March 11, 2015.

(2) Non-Executive Chairman of the Board.

PROPOSAL ONE
ELECTION OF DIRECTORS

All five directors serving on the Board are nominated for re-election, with a term expiring at the annual meeting of stockholders in 2016. Each of the nominees has consented to serve if elected.

If any nominee for director becomes unavailable for election, the proxies will be voted for such substitute nominee(s) as the Board may propose. We have no reason to believe that any of the nominees will be unable or unwilling to serve if elected.

The following table summarizes the current directors:

Name	Age	Director Since
Samuel Broydo	78	2010
Saul Reibstein	66	2010
Ziv Shoshani	48	2009
Timothy Talbert	68	2010
Marc Zandman (1)	53	2010

(1) Non-Executive Chairman of the Board.

Nominees for Election as Directors – Terms Expiring 2016

Marc Zandman is the non-executive Chairman of our Board. Mr. Zandman was elected Executive Chairman of the board of directors of Vishay Intertechnology in 2011 after serving as Vice Chairman for Vishay Intertechnology since 2003; a director of Vishay Intertechnology since 2001; and President of Vishay Israel Ltd. since 1998. In addition to these positions, Mr. Zandman was appointed Chief Business Development Officer of Vishay Intertechnology as of June 2011 and Chief Administration Officer of Vishay Intertechnology as of January 1, 2007; has served as Group Vice President of Vishay Intertechnology Measurements Group from 2002 to 2004; and served in various other capacities with Vishay Intertechnology since 1984. He is the son of the late Dr. Felix Zandman, the founder and former executive chairman of Vishay Intertechnology. Mr. Marc Zandman's dedicated service to Vishay Intertechnology and extensive knowledge of our business give him valuable experience facing issues relevant to our Company.

Ziv Shoshani is our Chief Executive Officer and President, and also serves on the Board. Mr. Shoshani was Chief Operating Officer of Vishay Intertechnology from January 1, 2007 to November 1, 2009. During 2006, he was Deputy Chief Operating Officer of Vishay Intertechnology. Mr. Shoshani was Executive Vice President of Vishay Intertechnology from 2000 to 2009 with various areas of responsibility, including Executive Vice President of the Capacitors and the Resistors businesses, as well as heading the Measurements Group and Foil Divisions. Mr. Shoshani had been employed by Vishay Intertechnology since 1995. He continues to serve on the Vishay Intertechnology board of directors. Mr. Shoshani is a nephew of the late Dr. Felix Zandman, the founder of Vishay Intertechnology. Mr. Shoshani's long-standing dedication to our Company, exemplified by his extensive management experience and experience on the Vishay Intertechnology board of directors, provides him with valuable insight into the business and the operation of our Company and makes him a valuable advisor to the Board.

Samuel Broydo. In January 2004, Dr. Broydo retired as the Managing Director of Technology at Applied Materials Inc., a leading manufacturer of semiconductor manufacturing equipment. Prior to joining Applied Materials, he served as the Vice President of Technology at ZyMOS Corporation, a semiconductor manufacturer that pioneered Application Specific Integrated Circuits (ASIC) design methodology, from March 1984 to May 1990. Before ZyMOS, Dr. Broydo served as the VLSI Technology Manager for the Xerox Palo Alto Research Center, a computer technology innovator, from August 1979 to September 1983. Dr. Broydo was also the VLSI Technology Group Supervisor at Bell Telephone Laboratories (Bell Labs), which was then a leading communications and electronics research company, from May 1966 to August 1979. Dr. Broydo studied at the Leningrad Polytechnic Institute and received a Masters Degree in Electrical Engineering from Warsaw Polytechnic Institute; he later earned a Ph.D. in Electronics and Electrical Engineering from the University of Birmingham, England. Dr. Broydo's expertise in electronics and semiconductor technology enables

him to understand our business and identify growth opportunities. Dr. Broydo also brings to our board the benefit of relevant management and infrastructure experience in solid state electronic research, design, engineering, manufacturing and problem solving.

Saul V. Reibstein. Mr. Reibstein is Executive Vice President, Chief Financial Officer and Treasurer of Penn National Gaming, Inc. (NASDAQ: PENN), where he also served on the board of directors and as chairman of the audit committee from June 2011 until his appointment as Senior Vice President and Chief Financial Officer in November 2013. From 2004 until joining Penn National Gaming as an executive, Mr. Reibstein served as a member of the senior management team of CBIZ, Inc., a New York Stock Exchange-listed professional services company, where, as Executive Managing Director, he was responsible for the management of the CBIZ New York City Financial Services office operations and the overall international activities of the Financial Services Group. Mr. Reibstein has over 40 years of public accounting experience, including 11 years serving as a partner in BDO Seidman, a national accounting services firm, where he was the partner in charge of the Philadelphia office from June 1997 to December 2001 and Regional Business Line Leader from December 2001 until September 2004. Mr. Reibstein is a licensed CPA in Pennsylvania and received a Bachelor of Business Administration from Temple University. Mr. Reibstein qualifies as an audit committee financial expert satisfying the rules of the SEC. Mr. Reibstein's qualification as an audit committee financial expert, as well as his extensive experience as a public accounting partner, make him highly qualified to serve both as a director of our company and a financial expert on the Audit Committee. Mr. Reibstein also has relevant, long-standing experience as a manager of an NYSE-listed company that he will draw upon in advising us with respect to our listing and filing compliance.

Timothy V. Talbert. Mr. Talbert has served as Senior Vice President of Credit and Originations for Lease Corporation of America ("LCA"), a national equipment lessor, since July 2000, and President of the LCA Bank Corporation, a bank that augments LCA's funding capacity, since its founding in January 2006. Previously, Mr. Talbert was Senior Vice President and Director of Asset Based Lending and Equipment Leasing of Huntington National Bank from 1997 to 2000; and prior to that, served in a variety of positions with Comerica Bank for more than 25 years. Mr. Talbert also serves as a director of Vishay Intertechnology. Mr. Talbert previously served on the board of directors and was a member of the audit committee of Siliconix incorporated, a NASDAQ-listed manufacturer of power semiconductors of which Vishay Intertechnology owned an 80.4% interest, from 2001 until Vishay Intertechnology acquired the noncontrolling interests in 2005. Mr. Talbert received a Bachelor's Degree in Economics from University of the Pacific and an MBA from the University of Notre Dame. Mr. Talbert's previous service as a director and member of the audit and compensation committees of a publicly traded company, as well as his current service on the board of another publicly traded company, allows him to bring an important perspective to the Board. Additionally, Mr. Talbert's service as the president of a federally regulated institution gives him relevant understanding of compliance with complex regulations and current accounting rules adding invaluable expertise to our Board.

Under the Company's Corporate Governance Principles, directors may not stand for election or re-election after the age of 75, unless the Board makes an affirmative determination that, because of the importance and value of the continued service of a director, the retirement policy should be waived. Prior to his nomination for re-election in 2015, the Board made such a determination with respect to Dr. Broydo. This policy does not apply to any person who controls more than 20% of the voting power of the Company.

The Board of Directors recommends a vote "FOR ALL" the nominees for election as directors.

REPORT OF THE AUDIT COMMITTEE

Management is responsible for maintaining effective internal control over financial reporting, for assessing the effectiveness of internal control over financial reporting, and for preparing our consolidated financial statements. Our independent registered public accounting firm is responsible for, among other things, performing an independent audit of our consolidated financial statements in accordance with standards of the Public Company Accounting Oversight Board (United States) ("PCAOB") and issuing a report thereon. It is the responsibility of the Audit Committee to monitor and oversee these processes.

In fulfilling its oversight duties, the Audit Committee reviewed and discussed with management and our independent registered public accounting firm, Ernst & Young LLP, (a) the audited financial statements for the fiscal year ended December 31, 2014, (b) the effectiveness of our internal control over financial reporting, and (c) the other matters required to be discussed under Statement on Auditing Standards No. 61, Communications with Audit Committees, as amended and as adopted by the PCAOB in Rule 3200T. These required communications addressed, among other topics, the independent registered public accounting firm's responsibility under the standards of the PCAOB; critical accounting policies and practices; judgments and accounting estimates; alternative accounting treatments; any significant audit adjustments; any disagreements or difficulties encountered in performing the audit; and other material communications between the independent registered public accounting firm and management. The Audit Committee received from the independent auditors written disclosures regarding the auditor's independence required by PCAOB Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, and has discussed with the independent auditors, the independent auditor's independence. The Audit Committee also considered the compatibility of non-audit services provided to VPG by Ernst & Young LLP, and the fees and costs billed or to be billed for these services, with the maintenance of the independent registered public accounting firm's independence. The Committee has concluded that the provision of the non-audit services by Ernst & Young LLP in 2014 did not impair the independent registered public accounting firm's independence. Under the Audit and Non-Audit Services Pre-Approval Policy that was adopted by the Audit Committee in July 2010, the Audit Committee must pre-approve all audit and non-audit services provided to VPG by the independent registered public accounting firm. The policy sets forth the procedures and conditions for pre-approval of these services. All of the audit and non-audit services provided by the independent registered public accounting firm since adoption of the Audit and Non-Audit Services Pre-Approval Policy were pre-approved by the Committee in accordance with such policy.

Based upon this review and discussions with management and the independent registered public accounting firm, the Audit Committee recommended to the Board of Directors that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 for filing with the Securities and Exchange Commission. The Audit Committee has also appointed Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2015, but the Committee has determined to submit the appointment for ratification by stockholders (see Proposal Two).

Respectfully submitted,

The Audit Committee of the Board of Directors

Saul Reibstein, Chairman
Dr. Samuel Broydo
Timothy Talbert

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act or the Exchange Act that might incorporate this proxy statement or future filings with the SEC, in whole or in part, the above report shall not be deemed to be "soliciting material" or "filed" with the SEC and shall not be deemed to be incorporated by reference into any such filing.

PROPOSAL TWO
RATIFICATION OF APPOINTMENT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board is responsible for the selection of our independent registered public accounting firm. The Committee has determined to reappoint the public accounting firm of Ernst & Young LLP as independent registered public accounting firm to audit our financial statements for the fiscal year ending December 31, 2015, as well as to audit the effectiveness of our internal control over financial reporting. Ernst & Young LLP has served as our independent registered public accounting firm since the spin-off from Vishay Intertechnology. Although stockholder approval for the appointment of the independent registered public accounting firm is not required, we are submitting the selection of the independent registered public accounting firm to stockholders for their ratification.

Representatives of the firm of Ernst & Young LLP are expected to be present at the 2015 Annual Meeting and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions from stockholders.

Under the Audit and Non-Audit Services Pre-Approval Policy that was adopted by the Audit Committee in July 2010, the Audit Committee must pre-approve all audit and non-audit services provided to VPG by the independent registered public accounting firm. The policy sets forth the procedures and conditions for pre-approval of these services. The Audit Committee has pre-approved generally the engagement of the independent registered public accounting firm for services relating to our filings with the SEC (including comfort letters, comment letters and consents for securities offerings); acquisition or disposition related diligence activities; internal control review and compliance; interpretation and compliance with accounting and accounting-related disclosure rules and standards; certain attest services; domestic and international tax planning and compliance; and risk management.

The following table sets forth the aggregate fees billed by Ernst & Young LLP for audit and non-audit services rendered to VPG in 2014 and 2013. These fees are categorized as audit fees, audit-related fees, tax fees, and all other fees. The nature of the services provided in each category is described following the table.

	2014	2013
Audit fees	$ 1,895,000	$ 1,756,000
Audit-related fees	-	-
Tax fees	272,000	104,000
All other fees	2,000	2,000
Total fees	$ 2,169,000	$ 1,862,000

Audit fees. These fees generally consist of professional services rendered for the audits of the consolidated financial statements of VPG, quarterly reviews, subsidiary or equity investment audits, issuance of consents, income tax provision procedures, and assistance with and review of documents filed with the SEC.

Audit-related fees. These fees generally consist of assurance and other services related to the performance of the audit or review of VPG’s financial statements or that are traditionally performed by the independent registered public accounting firm, and consultations concerning financial accounting and reporting standards.

Tax fees. These fees generally relate primarily to tax compliance, including review and preparation of corporate tax returns, assistance with tax audits, review of the tax treatment for certain expenses, extra-territorial tax analysis, and tax due diligence relating to acquisitions. They also include fees for state and local tax planning and consultations with respect to various domestic and international tax matters.

All other fees. These fees generally consist of reviews for compliance with various government regulations, risk management and treasury reviews, assessments and audits of various contractual arrangements, and subscription to online accounting research tools.

In 2014, VPG did not make use of the rule that waives pre-approval requirements for non-audit services in certain cases if the fees for these services constitute less than 5% of the total fees paid to the independent registered public accounting firm during the year.

The Board of Directors recommends that you vote "FOR"
the ratification of the appointment of Ernst & Young LLP as our independent registered
public accounting firm for the year ending December 31, 2015.

SECURITY OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT

On April 1, 2015, VPG had outstanding 12,664,208 shares of common stock, each of which entitles the holder to one vote, and 1,025,158 shares of Class B common stock, each of which entitles the holder to 10 votes. Voting is not cumulative. The following table shows the number of shares of VPG common stock and Class B common stock beneficially owned by (a) each director and director nominee, (b) each "Named Executive Officer" identified under "Executive Compensation," (c) the directors and executive officers of VPG as a group and (d) any person owning more than 5% of VPG common stock or the Class B common stock.

	Common Stock				Class B Common Stock		
Name	Shares of Stock (1)	Restricted Stock Units Scheduled to vest within 60 days	Right to Acquire Ownership Under Options Exercisable within 60 days	Percent of Class	Shares of Stock	Percent of Class	Voting Power (2)
Directors and Executive Officers							
Marc Zandman	11,044	3,531	-	*	615,593 (3)	60.0 %	26.9 %
Ziv Shoshani	115,035	-	18,826	*	615,487 (4)	60.0 %	27.4 %
Samuel Broydo	4,559	2,568	-	*	-		
Saul V. Reibstein	4,559	2,568	-	*	-		
Timothy V. Talbert	4,630	2,568	-	*	-		
William M. Clancy	15,979	-	-	*	-		
Thomas P. Kieffer	18,265	-	-	*	-		
All Directors and Executive Officers as a group (7 Persons) c/o Vishay Precision Group, Inc. 3 Great Valley Parkway, Suite 150 Malvern, PA 19355	174,071	11,235	18,826		615,593	60.0 %	27.8 %
Mrs. Ruta Zandman c/o Vishay Intertechnology, Inc. 63 Lancaster Avenue Malvern, PA 19355	3,010 (5)			*	787,096 (6)	76.8 %	34.4 %
Dimensional Fund Advisors LP (7) Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	1,073,699			8.4 %			4.7 %

BlackRock Inc. (8) 40 East 52nd Street New York, NY 10022	918,809	7.2 %	4.0 %
Royce & Associates, LLC (9) 745 Fifth Avenue New York, NY 10151	826,668	6.5 %	3.6 %

Rutabaga Capital Management (10) 64 Broad Street, 3rd Floor Boston, MA 02109	745,400	5.9 %			3.3 %
Harvey Partners, LLC (11) 551 Fifth Avenue, 36th Floor New York, NY 10176	700,097	5.5 %			3.1 %
Shufro, Rose & Co., LLC (12) 745 Fifth Avenue, 26th Floor New York, NY 10151	660,235	5.2 %			2.9 %
Eugenia A. Ames (13) c/o Mr. Leroy Rachlin Janney Montgomery Scott 780 Route 37 West, Suite 130 Toms River, NJ 08755			91,161	8.9 %	4.0 %
Deborah S. Larkin c/o Mr. Bruce Auerbach World Financial Center 270 Madison Avenue, Suite 1503 New York, NY 10016			59,016	5.8 %	2.6 %
Barbara J. Winslow 90 Eighth Avenue, Apt. 8B Brooklyn, NY 11213			51,873	5.1 %	2.3 %

* Represents less than 1% of the outstanding shares of such class or the total voting power, as the case may be.

(1) In addition to the amounts shown, each share of Class B common stock held by such holder, if applicable, may be converted into one share of common stock upon the election of such holder.

(2) The percentage of total voting power represents voting power with respect to all shares of common stock and Class B common stock, as a single class, calculated on the basis of 10 votes per share of Class B common stock and one vote per share of common stock.

(3) Includes 615,487 shares of Class B common stock held in a family trust, of which Mrs. Ruta Zandman, Mr. Marc Zandman, and Mr. Ziv Shoshani are joint trustees and have shared voting power; 53 shares of Class B common stock directly owned by Mr. Zandman; and 53 shares of Class B common stock owned by Mr. Zandman's child.

(4) Includes 615,487 shares of Class B common stock held in a family trust, of which Mrs. Ruta Zandman, Mr. Marc Zandman, and Mr. Ziv Shoshani are joint trustees and have shared voting power.

(5) Includes 3,010 shares of common stock held by the estate of Dr. Felix Zandman, of which Ruta Zandman is the named executrix, and as such, exercises sole voting control.

(6) Includes 615,487 shares of Class B common stock held in a family trust, of which Mrs. Ruta Zandman, Mr. Marc Zandman, and Mr. Ziv Shoshani are joint trustees and have shared voting power; and 171,609 shares of

Class B common stock held by third parties and that are subject to a voting agreement pursuant to which Mrs. Zandman, as the Zandman Representative, may direct voting of such shares, to the extent that, and in the same manner as, a majority of shares of Class B Common Stock held by Mrs. Zandman, Dr. Zandman's estate, and their respective "permitted transferees" (as such term is defined in the Company's amended and restated certificate of incorporation) are voted on such matter.

(7) Based on information provided in a Schedule 13G/A filed on February 5, 2015 by Dimensional Fund Advisors LP. According to the Schedule 13G/A, Dimensional Fund Advisors LP, in its capacity as an investment advisor, may be deemed to have the sole power to vote or to direct the vote with respect to 1,037,110 shares of common stock and may also be deemed to have the sole power to dispose of 1,073,699 shares of common stock.

(8) Based on information provided in a Schedule 13G/A filed on January 26, 2015 by BlackRock, Inc. According to the Schedule 13G/A, BlackRock, Inc. may be deemed to have sole power to vote or direct the vote with respect to 870,571 shares of common stock and may also be deemed to have the sole power to dispose or direct the disposition with respect to 918,809 shares of common stock.

(9) Based on information provided in a Schedule 13G/A filed on January 30, 2015 by Royce & Associates, LLC. According to the Schedule 13G/A, Royce & Associates, LLC has the sole power to vote or direct the vote, and to dispose or direct the disposition, with respect to, 826,668 shares of common stock.

(10) Based on information provided in a Schedule 13G/A filed on February 13, 2015 by Rutabaga Capital Management. According to the Schedule 13G/A, Rutabaga Capital Management has the sole power to vote or direct the vote with respect to 745,400 shares of common stock. and may also be deemed to have the sole power to dispose or direct the disposition with respect to 112,500 shares of common stock.

(11) Based on information provided in a Schedule 13G filed on February 25, 2015 by Harvey Partners, LLC. According to the Schedule 13G, Harvey Partners, LLC has sole power to vote or direct the vote with respect to 700,097 shares of common stock.

(12) Based on information provided in a Schedule 13G filed on February 11, 2015 by Shufro, Rose & Co., LLC. According to the Schedule 13G, Shufro, Rose & Co., LLC has sole power to dispose or direct the disposition, with respect to, 660,235 shares of common stock.

(13) Includes 91,161 shares of Class B common stock that are subject to a voting agreement pursuant to which Mrs. Ruta Zandman, as the Zandman Representative, may direct the voting of such shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and persons who beneficially own more than ten percent of our common stock to report their ownership of, and transactions in, our stock in filings with the SEC. Copies of these reports are also required to be supplied to VPG. VPG believes, based solely on a review of the copies of such reports received, that our directors and executive officers and persons who beneficially own more than ten percent of our common stock complied with all applicable Section 16(a) reporting requirements during the year ended December 31, 2014.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was at any time during 2014 an officer or employee of VPG or any of the Company’s subsidiaries nor was any such person a former officer of VPG or any of the Company’s subsidiaries. In addition, no Compensation Committee member is an executive officer of another entity at which one of the Company’s executive officers serves on the board of directors.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy Generally

Our executive compensation packages, including severance benefits, are designed to assist us in recruiting, retaining and motivating key employees who can function effectively both in periods of recession and economic strength, and provide our executives with an appropriate level of job security, commensurate with their contributions to the Company and their tenure. The Compensation Committee believes that the elements of our executive compensation program, as well as the mix of these elements in relation to total compensation, reward intrinsically sound management decisions and do not encourage risk taking to enhance short-term profitability at the expense of the long-term health and viability of the enterprise. The Compensation Committee seeks to mitigate any compensation-related risk by:

- providing a meaningful portion of total compensation in the form of equity incentives that are earned over multiple years (to encourage an appropriately long-term focus); and
- capping annual cash bonuses for named executive officers at 200% of base salary for Mr. Shoshani, 80% of base salary for Mr. Clancy and 60% of base salary for Mr. Kieffer (to provide appropriate balance between short- and long-term objectives).

Please see the discussion below under the headings “Performance Bonus” and “Equity Compensation” for further detail regarding performance bonus and long-term equity incentive targets. The Compensation Committee believes that this mix of long-term equity incentive compensation and shorter-term performance bonus opportunity discourages excessive risk-taking in the short term and rewards appropriate focus on achievement of both short-term and long-term objectives.

Evolution of Executive Compensation

The Company’s compensation packages historically have combined base salary with an opportunity for annual cash bonuses and long-term equity awards in order to align the interests of senior management with the long-term interests of our stockholders.

During 2013, and after confirming its independence pursuant to the recently adopted New York Stock Exchange listing standards, the Compensation Committee engaged the services of Meridian Compensation Partners, LLC (“Meridian”) to advise it regarding executive and non-employee director compensation. In the course of its engagement, Meridian developed, and the Compensation Committee approved, a custom peer group of public companies that were, at the time of Meridian's review, similar to the Company in terms of industry, revenues, and scope of international operations. This peer group consisted of:

Badger Meter Inc.	Measurement Specialties Inc.
CTS Corp.	Mercury Systems Inc.
Daktronics Inc.	MTS Systems Corp.
Electro Scientific Industries Inc.	Park Electrochemical Corp.
Fabrinet	Radisys Corp.
Faro Technologies Inc.	Reald Inc.
GSI Group Inc.	Rofin Sinar Technologies Inc.
Maxwell Technologies Inc.	Zygo Corp

The Compensation Committee reviewed average and median data for various types of cash and equity compensation within the group. Meridian provided the Compensation Committee with input concerning potential changes to the compensation packages of the executive officers, particularly with respect to increasing performance-based equity-based compensation as a percentage of total compensation, particularly for the Company’s Chief Financial Officer.

As a result of the compensation data and input received from Meridian, the Compensation Committee (and the Board, with respect to Mr. Clancy) approved amendments to the employment agreements of Messrs. Shoshani and Clancy,

which became effective on January 1, 2014, providing for increased base salaries, and increased targets for annual performance bonuses and long-term equity incentive awards (in each case, measured as a percentage of base salary). See the discussion under the heading "Employment Agreements" below.

Performance Philosophy

Our compensation philosophy is intended to dovetail with our philosophy regarding evaluation of operating performance.

The performance bonuses and long-term equity incentive awards for our executive officers are based on achievement of objectives determined annually by the Compensation Committee. Mr. Shoshani's and Mr. Clancy's 2014 performance bonuses were based on two measures of Company performance: adjusted operating margin and adjusted EBITDA. Mr. Kieffer's 2014 performance bonus was based on adjusted operating margin and adjusted EBITDA, as well as certain individual and financial performance goals approved by the Compensation Committee and relating to operations for which he is responsible.

Adjusted operating margin and adjusted EBITDA mean, respectively, operating margin and earnings before interest, taxes, depreciation and amortization, in each case determined in accordance with U.S. GAAP and adjusted to exclude various items that are not indicative of the intrinsic operating performance of our business, including restructuring and related severance costs, fixed asset or inventory write-downs and related purchase commitment charges, impairment charges for goodwill or indefinite-lived intangible assets, and individually material one-time gains or charges. The Board determined that each of adjusted EBITDA and adjusted operating margin for 2014 excluded the impact of $5,446,000 in goodwill impairment costs, $668,000 in restructuring costs, and $75,000 in purchase accounting adjustments relating to the acquisition of the George Kelk Corporation business recorded during 2014.

In 2015, the annual performance bonuses for Messrs. Shoshani and Clancy will continue to be based on adjusted operating margin and adjusted EBITDA, as determined by the Compensation Committee. Mr. Kieffer's annual performance bonus for 2015 will be based on adjusted operating margin and adjusted EBITDA, as well as certain individual and financial performance goals approved by the Compensation Committee and relating to his areas of responsibility.

Each officer's long term equity incentive award is subject to a three-year cliff vesting period beginning on January 1 of the year of grant. Further, the vesting of 75% of each executive officer's long-term equity award is subject to achievement of certain performance criteria determined by the Compensation Committee in connection with the grant. The relevant performance period for each long-term equity incentive award is the three-year vesting period applicable to such award.

The Compensation Committee, in consultation with the Chairman of the Board, undertakes an annual review of the executive compensation program to ensure that it continues to encourage and reward satisfaction of our operational and financial objectives. The Compensation Committee also consults with our CEO regarding compensation of our other executive officers.

Role of the Compensation Consultant

To assist in formulating the revised compensation arrangements of our executive officers, the Compensation Committee retained the services of Meridian in 2013. Meridian assessed the reasonableness and interrelation of the individual elements of the compensation packages and provided input to the Compensation Committee with respect to compensation practices among comparable public companies.

In determining the compensation consultant's independence, the Compensation Committee considered the factors outlined in the recently adopted New York Stock Exchange listing standards relating to compensation consultant independence, including whether the compensation consultant has provided other services to the Company, the magnitude of the projected fees payable to the compensation consultant in the context of the Company's total revenues, the absence of personal or business relationships between members of the Compensation Committee or the Company's executive officers and the compensation consultant, and whether any member of the compensation consultant's team owns, or otherwise has an investment or interest in, the Company's common stock. After careful consideration of the relevant factors, the Compensation Committee determined that engagement of Meridian did not pose or create any conflict of interest and further determined that Meridian was independent under the listing standards of the NYSE.

Meridian did not provide any services to the Company during 2013 other than the compensation consulting services that it provided to the Compensation Committee. Meridian did not provide any services to the Company during 2014.

Compensation Components

The primary components of the compensation packages for our executive officers, as prescribed by their employment agreements, are:

- Base salary;
- Annual performance bonus (payable in cash); and
- Annual long-term equity incentive compensation (payable in RSUs).

In addition to the foregoing, our executive officers are eligible to receive severance and customary welfare and retirement benefits. Each of the primary components of executive compensation, and the methodology used to determine the amounts, and mix, of such compensation, are discussed herein.

Base Salaries

Minimum base salaries for Messrs. Shoshani, Clancy and Kieffer are established in their respective employment agreements, the material terms of which are summarized below under the heading "Employment Agreements." Any increases to the base salaries of executive officers are approved by the Compensation Committee after consideration of each individual's accomplishments, areas of strength and opportunities for development. We believe that setting our executive officers' base salaries within a market-competitive range of base salaries offered to similarly situated executives of comparable public companies will help us to retain our executive officers, while appropriately motivating them to fulfill their core responsibilities within VPG.

Variations in base salary of each of our executive officers reflect the differences in their respective positions, duties and responsibilities. In particular, the Compensation Committee, in consultation with the Board, considered the average 2013 Company-wide U.S. employee salary increase effective September 1, 2013 (approximately 3.0%) in making increases to the respective salaries of the executive officers.

Effective January 1, 2014, and pursuant to their amended employment agreements, the base salaries for our executive officers were as follows:

Executive	2014 Base Salary	
Ziv Shoshani		
President and Chief Executive Officer	$ 523,758	(1)
William M. Clancy		
Executive Vice President and Chief Financial Officer	300,000	
Thomas P. Kieffer		
Senior Vice President and Chief Technical Officer	242,515	

(1) Pursuant to Mr. Shoshani's employment agreement, his base salary is 1,875,000 NIS. The U.S. Dollar amount shown in the table is based on the weighted average exchange rate for 2014 of 3.58.

Performance Bonus

Annual performance bonuses are designed to incent our executive officers to achieve certain predetermined objectives set by the Compensation Committee and the Board. Similar to base salary, the Compensation Committee believes that it is appropriate and desirable to establish target performance bonuses within a market-competitive range of bonuses granted to similarly situated executives at comparable public companies. We believe that setting target performance bonuses in this fashion is necessary to attract and retain executive officers, as well as to appropriately motivate them to make meaningful contributions to our business.

The performance bonuses for Mr. Shoshani and Mr. Clancy for 2014 were based on achievement of two corporate objectives, consisting of our adjusted operating margin and our adjusted EBITDA. The performance bonus for Mr. Kieffer for 2014 was based on adjusted operating margin and adjusted EBITDA, as well as certain objective individual and financial performance goals approved by the Compensation Committee relating to operations for which he is responsible. The target levels of adjusted operating margin and EBITDA for 2014 were set at $17.6 million and $29.3 million, respectively, and 50% of the bonus potential for Mr. Shoshani and for Mr. Clancy was attributable to the achievement of each of these performance objectives. For Mr. Kieffer, 25% of the bonus potential was attributable to the achievement of each of these performance objectives, with the remaining 50% of his bonus potential attributable to certain individual and financial performance goals. These targets were intended to represent challenging, but reasonable, goals, the achievement of which will contribute meaningfully to long-term stockholder value creation as well as the short-term success of our business.

Each executive was eligible to receive a performance bonus, for each 2014 performance objective, if the performance with respect to that objective equaled at least 80% of the targeted amount. If less than 80% of the threshold target for a performance goal is attained, the executive would not receive any portion of the performance bonus tied to such performance goal. The table herein sets forth the payments that each executive officer would have been eligible to receive (expressed as a percentage of his base salary) pursuant to his respective employment agreement with respect to each 2014 performance objective, based upon various levels of actual performance.

Potential Performance Bonus Payments for Messrs. Shoshani and Clancy for Each Performance Objective, in Relation to Target Performance*

		Percentage of Target Performance Objective Achieved			
Executive	Performance Objective	80% of Target Performance Objective	80—100% of Target Performance Objective	100—150% of Target Performance Objective	Maximum Performance Bonus for Each Performance Objective
Ziv Shoshani President and	Adjusted EBITDA	25 %	25-50 %	50-100 %	100 %
Chief Executive Officer	Adjusted Operating Margin	25 %	25-50 %	50-100 %	100 %
William M. Clancy Executive Vice President	Adjusted EBITDA	13.35 %	13.35-25 %	25-40 %	40 %
and Chief Financial Officer	Adjusted Operating Margin	13.35 %	13.35-25 %	25-40 %	40 %

* All performance bonus payments set forth in this table are expressed as a percentage of the applicable executive officer's base salary and represent the potential payments to our executive officers with respect to each performance objective.

Potential Performance Bonus Payments for Mr. Kieffer for Each Performance Objective, in Relation to Target Performance*

Objective	Percentage of Target Performance Objective Achieved: 80% of Target Performance Objective	80—100% of Target Performance Objective	100—150% of Target Performance Objective	Maximum Performance Bonus for Each Performance Objective
Personal Objectives	10 %	10-15 %	15-30 %	30 %
Adjusted EBITDA	5 %	5-7.5 %	7.5-15 %	15 %
Adjusted Operating Margin	5 %	5-7.5 %	7.5-15 %	15 %

* All performance bonus payments set forth in this table are expressed as a percentage of Mr. Kieffer’s base salary and represent the potential payments to him with respect to each category of 2014 performance objective shown above.

The aggregate target performance bonuses for each of Messrs. Shoshani, Clancy and Kieffer, pursuant to their respective employment agreements and taking into account all 2014 performance objectives, were 100%, 50% and 30% of their respective base salaries. The maximum 2014 performance bonuses payable to Messrs. Shoshani, Clancy and Kieffer were 200%, 80% and 60% of their respective base salaries. We believe that the target and maximum performance bonus levels and the corresponding payouts are such that they do not encourage excessive risk-taking and represent appropriate compensation in light of each executive officer’s responsibilities.

The Board and the Compensation Committee determined that, in 2014, our adjusted EBITDA was $25.7 million (or 87.8% of the target) and our adjusted operating margin was $14.9 million (or 84.4% of the target). Accordingly, because each performance goal was acheived at greater than the 80% threshold level, our executive officers received a portion of each of their respective performance bonuses with respect to the Company's adjusted EBITDA and adjusted operating margin performance goals. Upon review of Mr. Kieffer’s performance against certain quantitative individual and financial performance goals applicable to him, in March 2015, the Compensation Committee and the Board approved a performance bonus with respect to 2014 performance for Mr. Kieffer. The total of these performance bonuses for each executive is reflected under the “Non-Equity Incentive Compensation Plan” column of the Summary Compensation Table herein.

Equity Compensation

Our executive compensation framework uses the grant of long-term equity awards as the primary tool for aligning the interests of our executive officers with the long-term interests of our stockholders. The market-competitive range of long-term equity awards granted to similarly situated executive officers of comparable public companies was used as a reference point in establishing the target and maximum values of long-term equity awards. The long-term equity award targets for our executive officers were established to compensate each of them at the appropriate market-competitive median level according to their respective positions, duties and responsibilities, as well as to recognize their individual ability to affect stockholder value creation.

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Pursuant to each executive officers' employment agreement (as amended effective January 1, 2014 in the case of Messrs. Shaoshani and Clancy), the value of the executives' annual equity grants are as follows:

- On or about January 1 of each year, each executive receives an equity award, made pursuant to the 2010 Stock Incentive Program with a value equal to 150% (with respect to Mr. Shoshani), 75% (with respect to Mr. Clancy), and 38% (with respect to Mr. Kieffer) of such executive's then-base salary (the "Annual Equity Grant"). The Annual Equity Grants, which are denominated in restricted stock units ("RSUs") of VPG , are sized based on the average closing price of VPG's stock on the New York Stock Exchange for the five consecutive trading days immediately preceding January 1 of the year of grant.
- 75% of the Annual Equity Grant is in the form of performance-based RSUs ("PBRSUs") which vest on the third anniversary of the date of grant, but only to the extent that performance criteria have been achieved. The performance criteria are determined by the Compensation Committee and are based on metrics set forth in the 2010 Stock Incentive Program. With respect to each performance criterion, (i) 50% of the total number of PBRSUs subject to such criterion will vest if 80% of the applicable objective is met; and (ii) the proportion of PBRSUs subject to such criterion that will vest will increase by 2.5% for each additional full 1% (between 80% and 100%) of the applicable objective that is met.
- 25% of the Annual Equity Grant is in the form of RSUs which vest on the third anniversary of the date of grant.
- The Annual Equity grant is subject to accelerated vesting upon a change of control of the Company, an event giving rise to a severance entitlement, death or disability.

With respect to each performance criterion, and as illustrated below, (i) 50% of the total number of PBRSUs subject to such criterion will vest if 80% of the applicable objective is met; and (ii) an additional 2.5% of the total number of PBRSUs subject to such criterion will vest for each additional full 1% (between 80% and 100%) of the applicable objective that is met.

2014 Annual Equity Grant Components

Executive	Time-Vested RSUs (# of RSUs)	Performance-Based RSUs for Each Performance Objective 80% of Target (# of PBRSUs)	80—100% of Target (# of PBRSUs)
Ziv Shoshani	14,267	10,701	10,701-21,402
William Clancy	3,970	2,977	2,977-5,955
Thomas Kieffer	1,626	1,220	1,220-2,439

Vesting of the PBRSUs included within the 2014 Annual Equity Grants is subject to the achievement of two corporate objectives: cumulative Net Earnings over a three year period from January 1, 2014 through December 31, 2016 and cumulative Free Cash over the same three-year period.

"Net Earnings" means the Company's net profits after taxes, including the impact of acquisitions, if any. "Free Cash" means the amount of cash generated from the Company's operations in excess of capital expenditures and net of proceeds from the sale of assets, including the impact of acquisitions, if any.

The target levels of Net Earnings and Free Cash over that three-year period from 2014-16 were set at $35,218,000 and $29,387,000, respectively, and 50% of the vesting potential for each executive is attributable to the achievement of each of these performance objectives. These targets are intended to represent challenging, but reasonable, goals, the achievement of which will contribute meaningfully to long-term stockholder value creation as well as the long-term success of our business.

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Each executive is eligible to vest in a portion of the PBRSUs included within the 2014 Annual Equity Grant to the extent that our performance with respect to one or both of the objectives equals at least 80% of the targeted amount. If the 80% threshold target for a performance goal is not attained, the executive would not receive any portion of the PBRSUs attributable to such target and that portion of the grant would be forfeited. The table above sets forth the vesting of the PBRSUs that each executive officer would be eligible to receive (expressed as a number of shares) pursuant to his respective employment agreement with respect to each 2014 performance objective, based upon various levels of actual performance.
The Annual Equity Grants awarded to each of the executive officers in 2014 are included in the “Stock Awards” column in the Summary Compensation Table herein. Because the 2014 Annual Equity Grants are subject to three-year cliff vesting, none of these awards has vested as of the date of this proxy statement.

In January 2012, and as previously described in our 2013 Proxy Statement, each of Messrs. Shoshani, Clancy and Kieffer was granted PBRSUs that were subject to vesting based on two performance conditions - adjusted net earnings and free cash flows - measured over a three-year period ended December 31, 2014. The Compensation Committee determined, after reviewing the Company’s performance during this measurement period, that the Company had achieved free cash flows which was in excess of 100% of the target and adjusted net earnings which was less than 80% of the target. Accordingly, half of the PBRSUs granted to our named executive officers in January 2012 vested.

Employment Agreements
The Company entered into employment agreements, which were amended in December 2011, with Messrs. Shoshani, Clancy, and Kieffer that provide for the specific targets and payment opportunities in connection with each element of our executive compensation package discussed herein under the heading “Compensation Components.”
In November 2013, the Company entered into additional amendments to the employment agreements with Mr. Shoshani and Mr. Clancy which became effective on January 1, 2014 and which increased the base salary, target performance bonus, and the value of annual equity incentive awards for each of Messrs. Shoshani and Clancy beginning in 2014.
Each employment agreement became effective on July 6, 2010 and had an initial term of three years. The November 2013 amendments to our employment agreements with Messrs. Shoshani and Clancy provide for a one year term beginning on January 1, 2014. Upon expiration of the current applicable term, all of our executives’ employment agreements automatically renew for one additional year unless earlier terminated by the Company or by the executive officer. Each of the employment agreements provides for certain severance payments to the executive officers in the event of termination of their employment as described in greater detail under the heading “Potential Payments Upon a Termination or Change in Control.”
The employment agreements also contain customary non-solicitation and non-competition covenants, which remain in effect for 24 months following termination of employment with respect to Mr. Shoshani and for 12 months following termination of employment with respect to Messrs. Clancy and Kieffer. The agreements also entitle the executives to additional perquisites and other personal benefits as the Board, through its Compensation Committee, determine are reasonable and consistent with the Company’s overall compensation program.

Deferred Compensation and Pension Plans
Vishay Intertechnology maintained, among other benefit plans, a non-qualified defined benefit plan (the “Vishay Non-Qualified Retirement Plan”); a qualified defined contribution plan (the “Vishay Employee Savings Plus Plan”); and a non-qualified deferred compensation plan (the “Vishay Key Employee Wealth Accumulation Plan” or “VSH KEWAP”), for highly compensated employees, including executive officers. In anticipation of the spin-off, we formed parallel plans that provide for substantially similar benefits. In connection with the spin-off, Vishay Intertechnology caused the accounts and underlying assets and liabilities under the Vishay Intertechnology plans for our employees who were participating in those plans to be transferred to our corresponding plans or, in the case of Vishay Non-Qualified Retirement Plan and VSH KEWAP assets, from a rabbi trust established by Vishay Intertechnology to a rabbi trust that we established. In addition, prior to the spin-off, Vishay Intertechnology, through a subsidiary, maintained the

Measurements Group Inc. Tax Deferred Savings Plan (a qualified defined contribution plan) that was transferred in its entirety to us in connection with the spin-off.

With the exception of Mr. Clancy, none of our executive officers participated in the Vishay Non-Qualified Retirement Plan. The Vishay Non-Qualified Retirement Plan was frozen effective December 31, 2008, and no further benefits have accrued beyond that date. In connection with the spin-off, we established a corresponding plan, the "VPG Non-Qualified Retirement Plan," to preserve the benefits accumulated by certain of our employees under the Vishay Non-Qualified Retirement Plan. Only active employees who participated in the Vishay Non-Qualified Retirement Plan as of December 31, 2008 are eligible to participate in the parallel VPG plan. In connection with the freezing of the Vishay Non-Qualified Retirement Plan, Mr. Clancy became eligible to participate in a supplemental matching program under the Vishay Employee Savings Plus Plan, pursuant to which amounts were deposited in his VSH KEWAP account. This supplemental matching program continues under the corresponding VPG plans.

Every employee who has been designated as an Eligible Executive by the administrator of the Plan, including our executive officers, is eligible to participate in our non-qualified deferred compensation plan (the "VPG KEWAP"). The VPG KEWAP permits eligible executives to make voluntary contributions and provides for discretionary Company contributions. In addition, we are required to make contributions on behalf of Mr. Clancy to his VPG KEWAP account as described above.

Perquisites

We provide executive officers with perquisites and other personal benefits that VPG and the Compensation Committee believe are reasonable and consistent with our overall compensation program. These perquisites are not intended, however, to constitute a material portion of the executive's compensation packages. In general, the perquisites, while not integral to the performance of an executive's duties, must bear some relationship to the executive's employment and be of perceived benefit to VPG. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers.

Individual Considerations

Compensation among the Company's senior executives reflects a general assessment of their contributions to the Company's current performance and its prospects for growth in the future. Our successes have always been fueled by the drivers of technological innovation, continuous efficiency improvement and synergistic acquisition. Mr. Shoshani leads in all these areas and his compensation reflects a perception by the Compensation Committee that the areas of his responsibility will continue to be the key drivers of our future performance.

Other Considerations Regarding Executive Compensation

Israeli benefits

Mr. Shoshani is employed by Vishay Advanced Technologies, Ltd., an Israeli subsidiary of VPG, and is a resident of Israel. As a result, he is entitled to certain benefits that are generally available to employees in Israel on a non-discriminatory basis, but are not afforded to the other named executive officers, including:

- advanced training fund, 7.5% of base salary
- severance fund, 8.33% of base salary
- disability insurance, 2.5% of base salary
- pension fund, 5% of base salary

These benefits are required by Israeli law or employment practices generally, and were taken into account by the Compensation Committee in formulating the overall compensation package for Mr. Shoshani.

Foreign currency considerations

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The Compensation Committee evaluates the effect of foreign currency conversion rates in formulating the overall compensation package for Mr. Shoshani, and determined to set Mr. Shoshani's base salary in New Israeli Shekels beginning January 1, 2014. Mr. Shoshani's base salary for 2014 was NIS 1,875,000.

Tax deductibility of executive compensation

Section 162(m) of the Internal Revenue Code limits to $1 million the annual tax deduction for compensation paid to each of the CEO and any of the three highest paid other executive officers, other than the CEO and the Chief Financial Officer. However, compensation that qualifies as performance-based compensation is deductible even in excess of $1 million. As part of its role, the Compensation Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Code. Our CEO's compensation is paid by our Israeli subsidiary, Vishay Advanced Technologies, Ltd. ("VAT"). However, a portion of that compensation is reimbursed to VAT by VPG. The portion of our CEO's compensation that is paid by, and allocated to, VAT is subject to Israeli tax laws, pursuant to which there is no limit on deductibility. The portion that is reimbursed to VAT by VPG is not treated as compensation for Section 162(m) purposes.

In certain situations, the Compensation Committee may approve compensation that will not satisfy the requirements of Section 162(m), in order to ensure competitive levels of total compensation for its executive officers. For example, the founder's equity grants made in 2010 do not qualify as performance-based compensation; however, the Compensation Committee determined that the factors favoring granting these awards outweighed the tax considerations.

Executive Compensation Advisory Vote and Its Frequency

In line with the recommendation by the Company's stockholders at the Company's 2011 annual meeting that an advisory stockholder vote on executive compensation be conducted at least triennially, the Company's Board of Directors included an advisory stockholder vote on executive compensation in its 2014 proxy materials. The Compensation Committee appreciates that over 98% of the shares voting approved the executive compensation discussed and disclosed in the Compensation Discussion and Analysis, the compensation tables, and the narrative executive compensation disclosure contained in our 2014 Proxy Statement. Our Compensation Committee interprets the results of this vote as an endorsement of existing programs and therefore, we have not made material changes to our approach to executive officer compensation based on such vote.

REPORT OF THE COMPENSATION COMMITTEE

To Our Stockholders:

We have reviewed and discussed with management the Compensation Discussion and Analysis. Based on that review and discussion, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Respectfully submitted,

The Compensation Committee of the Board of Directors

Dr. Samuel Broydo, Chairman
Saul Reibstein
Timothy Talbert

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act or the Exchange Act that might incorporate this proxy statement or future filings with the SEC, in whole or in part, the above report shall not be deemed to be “soliciting material” or “filed” with the SEC and shall not be deemed to be incorporated by reference into any such filing.

COMPENSATION TABLES

Summary Compensation Table

The information included in the table should be read in conjunction with the footnotes which follow, the descriptions of the employment agreements with each named executive officer described in "Compensation Discussion and Analysis," and the "Grants of Plan Based Awards," "Outstanding Equity Awards," "Option Exercises and Stock Vested," "Pension Benefits," and "Non-Qualified Deferred Compensation" tables on the pages which follow.

Name and Principal Position	Year	Salary (1) ($)	Bonus ($)	Stock Awards (2) ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation (3) ($)	Change in Pension Value and Nonqualified Deferred Comp. Earnings (4) (5) ($)	All Other Comp. (6) ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Ziv Shoshani	2014	$523,758	$-	$859,474	$ -	$ 341,495	$34,516	$208,389	$1,967,632
President and	2013	$483,285	$100,000	$623,407	$ -	$ -	$(11,758)	$191,312	$1,386,246
Chief Executive Officer	2012	$478,500	$-	$598,125	$ -	$ 129,703	$18,188	$173,427	$1,397,943
William M. Clancy	2014	$300,000	$-	$239,138	$ -	$ 101,651	$93,213	$67,869	$801,871
Executive Vice President and	2013	$272,479	$40,000	$140,712	$ -	$ -	$(51,184)	$56,300	$458,307
Chief Financial Officer	2012	$270,000	$-	$135,000	$ -	$ 39,093	$44,340	$50,166	$538,599
Thomas P. Kieffer	2014	$242,515	$-	$97,950	$ -	$ 44,611	$-	$41,571	$426,647
Senior Vice President and	2013	$238,940	$-	$93,713	$ -	$ 10,729	$-	$40,531	$383,913
Chief Technology Officer	2012	$236,600	$-	$89,908	$ -	$ 47,025	$-	$39,661	$413,194

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(1) Column (c) reflects each executive officer's base salary. Mr. Shoshani's employment agreement provides for his salary to be 1,875,000 New Israeli Shekels. In 2014, the average U.S. Dollar/New Israeli Shekel exchange rate was 3.58.

(2) Column (e) represents the grant-date fair value of RSUs granted to each executive officer in connection with the long-term equity award component of his compensation and in accordance with his employment agreement, computed in accordance with FASB ASC Topic 718 and the assumptions as set forth in Note 10 of our consolidated financial statements on Form 10-K filed on March 11, 2015, and assuming that all performance criteria are completely satisfied. For financial statement reporting purposes, the amount of compensation expense for RSUs is recognized ratably over the vesting period of the respective awards. The grant-date fair value does not necessarily reflect the value of shares actually received or which may be received in the future with respect to these awards.

(3) Column (g) represents performance-based cash bonuses that our executive officers received with respect to performance in the applicable year. See "Compensation Discussion and Analysis—Compensation Components, Performance Bonus."

(4) Column (h) reflects the change in the actuarial present value of the named executive officer's pension and other post-employment benefits under respective defined benefit retirement plans, from the plan measurement date used in preparing the prior year consolidated financial statements to the plan measurement date used in preparing the current year consolidated financial statements, determined using the same interest rate, mortality, and other actuarial assumptions used in our consolidated financial statements. See the "Pension Benefits" table herein for more information on the benefits payable to the named executive officers under their respective pension plans.

(5) Each executive officer was entitled to participate, as of January 1, 2014, in the VPG non-qualified deferred compensation plan, which is substantially similar to its predecessor plan sponsored by Vishay Intertechnology. Under the VPG non-qualified deferred compensation plan, deferred amounts are credited with earnings based on the performance of notional investment options available under the plan. No portion of the earnings credited during 2014 was "above market" or "preferential." Consequently, no deferred compensation plan earnings are included in the amounts reported in Column (h). See the "Non-Qualified Deferred Compensation" table for more information on the benefits payable under the VPG non-qualified deferred compensation plan.

(6) All other compensation includes amounts deposited on behalf of each named executive officer into VPG's non-qualified deferred compensation plan, pursuant to the employment agreements with each named executive officer, personal use of company car, company match on 401(k) contributions, benefits generally available to employees in Israel, and other perquisites, as described herein:

	2014	2013	2012	
Ziv Shoshani	$ 18,788	$ 17,734	$ 16,378	Personal use of Company car*
	165,007	150,680	135,295	Israeli employment benefits*
	24,594	22,898	21,754	Medical and prescription drug insurance premiums
	$ 208,389	$ 191,312	$ 173,427	
William M. Clancy	$ 20,800	$ 9,992	$ 5,000	Company contributions to nonqualified deferred compensation plan
	13,292	13,800	13,910	Personal use of Company car
	10,400	10,200	10,000	Company match to 401(k) plan
	22,135	21,066	20,014	Medical and prescription drug insurance premiums
	1,242	1,242	1,242	Group Term Life imputed income

	$ 67,869	$ 56,300	$ 50,166	
Thomas P. Kieffer	$ –	$ 480	$ –	Company contributions to nonqualified deferred compensation plan
	8,636	6,112	6,311	Personal use of Company car
	9,734	11,774	12,390	Company contribution to 401(k) plan **
	19,755	18,788	17,619	Medical and prescription drug insurance premiums
	3,446	3,377	3,341	Group Term Life imputed income
	$ 41,571	$ 40,531	$ 39,661	

* Represents amounts paid in New Israeli Shekels (NIS) and translated at average exchange rates for the year. In 2014, the average U.S. Dollar/New Israeli Shekel exchange rate was 3.58.
** In accordance with the terms of the relevant 401 (k) plan for Mr. Kieffer, the Company contribution to that 401(k) plan ended March 31, 2013 and amounts paid by Company into the 401 (k) plan thereafter were a Company match.

Grants of Plan Based Awards

The following table provides information with regard to plan based awards granted to each named executive officer during 2014. The information included in the table should be read in conjunction with the footnotes which follow and the description of performance bonuses and long-term equity incentive awards described in "Compensation Discussion and Analysis—Compensation Components."

The following table provides information concerning grants of plan-based awards to our named executive officers during the year ended December 31, 2014.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards (3)	Grant Date Fair Value of Stock Awards (4)
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	($)
Ziv Shoshani		261,879	523,758	1,047,515					
	1/29/14				21,402	42,803	–		644,613
	1/29/14							14,267	214,861
William M. Clancy		80,100	150,000	240,000					
	1/29/14				5,955	11,909	–		179,350
	1/29/14							3,970	59,788
Thomas P. Kieffer		48,503	72,755	145,509					
	1/29/14				2,439	4,878	–		73,463
	1/29/14							1,626	24,488

(1) For 2014, Mr. Shoshani and Mr. Clancy were each eligible to earn an annual performance bonus based on the achievement of certain adjusted EBITDA and adjusted operating margin targets. Mr. Kieffer was eligible to earn 50% of his potential annual performance bonus based on the achievement of the same targets, with the remaining 50% of his potential annual performance bonus based on certain individual and financial performance goals. The threshold value for each executive officer was determined assuming that each performance criterion applicable to such executive officer was satisfied at the minimum level triggering payment. An executive is not entitled to receive any payout with respect to a particular performance criterion if less than 80% of the targeted performance is achieved. Each executive officer's performance bonus package is further described under the heading "Compensation Discussion and Analysis—Compensation Components, Performance Bonus." Performance bonuses relating to our executive officers' 2014 performance were paid, to the extent earned, in March 2015.

(2) For 2014, each of Messrs. Shoshani, Clancy, and Kieffer was granted an annual long-term equity incentive award, 75% of which was in the form of performance-based RSUs which will vest on January 1, 2017, as and to the extent that performance criteria have been achieved. The threshold figure for each executive officer was determined assuming that each performance criterion applicable to such executive officer was satisfied at the minimum level triggering vesting. An executive is not entitled to receive any payout with respect to a particular performance criterion if less than 80% of the targeted performance is achieved. Each executive officer's

long-term equity award package is further described under the heading "Compensation Discussion and Analysis—Compensation Components, Equity Compensation." Long-term equity incentive awards for our executive officers for 2014 were granted on January 29, 2014.

(3) For 2014, each of Messrs. Shoshani, Clancy, and Kieffer was granted an annual long-term equity incentive award, 25% of which was in the form of time-vested RSUs which will vest on January 1, 2017. Each executive officer's long-term equity award package is further described under the heading "Compensation Discussion and Analysis—Compensation Components, Equity Compensation."

(4) Long-term equity incentive awards, including both time-vested and performance-based RSUs for our executive officers for 2014 were granted on January 29, 2014, and their aggregate grant date fair value was computed in accordance with FASB ASC Topic 718 and based on a stock price of $15.06 (the closing price of our Common Stock on January 28, 2014 (the last trading day prior to the date of grant)).

Outstanding Equity Awards at Fiscal Year End

The following table provides information regarding (i) unexercised options and (ii) unvested stock awards and equity incentive plan awards held by our named executive officers and outstanding as of December 31, 2014.

	Option Awards				Stock Awards	
	Number of	Number of			Number of	
	Securities	Securities			Shares or	Market Value of
	Underlying	Underlying	Option		Units of	Shares or Units
	Unexercised	Unexercised	Exercise	Option	Stock That	of Stock That