

VISHAY INTERTECHNOLOGY INC  
Form DEF 14A  
April 16, 2008

**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**

Filed by the Registrant   
Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary proxy statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive proxy statement
- Definitive additional materials
- Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

**VISHAY INTERTECHNOLOGY, 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):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(c)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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  - (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):
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- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:

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**VISHAY INTERTECHNOLOGY, INC.  
63 LANCASTER AVENUE  
MALVERN, PENNSYLVANIA 19355**

April 16, 2008

Dear Stockholder:

You are cordially invited to attend the 2008 Annual Meeting of Stockholders of Vishay Intertechnology, Inc., to be held at 10:30 a.m., local time, on Wednesday, May 28, 2008, at The Rittenhouse Hotel Ballroom North, 2nd Floor at 210 West Rittenhouse Square, Philadelphia, PA 19103. 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'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. 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 sign, date, and return the enclosed proxy card in the return envelope provided so that your shares will be represented and voted at the annual meeting.

Sincerely,

Dr. Felix Zandman  
*Executive Chairman of the Board of Directors*

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**Important Notice Regarding the Availability of Proxy Materials for the  
Annual Meeting of Stockholders to be Held May 28, 2008.**

**The following materials, also included with this Notice, are available for view on  
the Internet:**

**Proxy Statement for the 2008 Annual Meeting of Stockholders**

**2007 Annual Report to Stockholders**

**To view these materials, visit [ir.vishay.com](http://ir.vishay.com).**

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**VISHAY INTERTECHNOLOGY, INC.  
63 LINCOLN HIGHWAY  
MALVERN, PENNSYLVANIA 19355**

**NOTICE OF 2008 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON WEDNESDAY, MAY 28, 2008**

The 2008 Annual Meeting of Stockholders of Vishay Intertechnology, Inc. will be held at The Rittenhouse Hotel Ballroom North, 2nd Floor at 210 West Rittenhouse Square, Philadelphia, PA 19103, on Wednesday, May 28, 2008 at 10:30 a.m., local time. The meeting will be held to consider and act upon:

1. the election of four directors to hold office until 2011;
2. the ratification of our independent registered public accounting firm;
3. the amendment and restatement of our 2007 Stock Option Program;
4. amendments to our charter documents to limit the maximum size of the Board of Directors to fifteen and to grant the Board of Directors the exclusive authority to establish the size of the Board of Directors; and
5. such other business as may be brought properly before the meeting.

The stockholders of record at the close of business on April 11, 2008 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, please complete, date, and sign the enclosed proxy card and return it without delay in the enclosed envelope which requires no additional postage if mailed in the United States.

If you are enrolled in our electronic proxy materials delivery service and received these proxy materials via the Internet, you will need to follow the procedures for online voting to vote your shares.

By Order of the Board of Directors,

William M. Clancy  
*Corporate Secretary*

Malvern, Pennsylvania  
April 16, 2008

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**VISHAY INTERTECHNOLOGY, INC.  
63 LANCASTER AVENUE  
MALVERN, PENNSYLVANIA 19355**

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**PROXY STATEMENT**

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The accompanying proxy is solicited by the Board of Directors of Vishay Intertechnology, Inc. for use at the 2008 Annual Meeting of Stockholders of Vishay to be held at The Rittenhouse Hotel Ballroom North, 2nd Floor at 210 West Rittenhouse Square, Philadelphia, PA 19103, on Wednesday, May 28, 2008 at 10:30 a.m., local time, or any adjournments thereof.

We are first sending the proxy materials to stockholders on or about April 16, 2008.

**ABOUT THE MEETING**

***Why did I receive these materials?***

We hold a meeting of stockholders annually. This year's meeting will be held on May 28, 2008. There will be several items of business that must be voted on by our stockholders at the meeting, and our Board of Directors is seeking your proxy to vote on these items. This proxy statement contains important information about Vishay Intertechnology, 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 Intertechnology, Inc.," "Vishay," "we," "our," or the "Company."

***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 of Directors to determine which stockholders are entitled to receive notice of, and vote on the items presented at, the annual meeting. Our Board established April 11, 2008 as the record date for the 2008 annual meeting.

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

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

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.

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

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

- **FOR** the election of four directors to hold office for terms of three years and until their successors are duly elected and qualified (see Proposal One);
- **FOR** the ratification of the appointment of Ernst & Young LLP as Vishay's independent registered public accounting firm for the year ending December 31, 2008 (see Proposal Two);
- **FOR** the approval of the amendment and restatement of Vishay's 2007 Stock Option Program (see Proposal Three); and
- **FOR** the approval of amendments to Vishay's charter documents to limit the maximum size of the Board to fifteen members and to grant the Board the exclusive authority to establish the size of the Board (see Proposal Four).

**Does Vishay 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 171,992,205 shares of common stock and 14,352,888 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 Vishay's stockholders during ordinary business hours for a period of ten days prior to the annual meeting at Vishay's offices, located at 63 Lancaster Avenue, Malvern, PA 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 Vishay'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.

**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 annual meeting. Abstentions are regarded as voted shares and will have the same effect as a vote "AGAINST" Proposals Two, Three and Four. Abstentions will have no effect on the election of directors under Proposal One.

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, brokers may vote in their discretion on Proposals One and Two. Non-voted shares held by brokers and represented at the meeting are called broker non-votes. Broker non-votes will be counted in determining whether there is a quorum at the annual meeting but

will not be regarded as voted shares. Accordingly, broker non-votes will have no effect on Proposals One, Two, and Three and will have the same effect as a vote AGAINST Proposal Four.

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***What vote is required to approve each proposal?***

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 four directors to hold office for terms of three years or until their successors are duly elected and qualified requires a plurality of the votes of the shares of common stock and Class B common stock, voting together as a single class, present in person or represented by proxy and voted on the election of directors.
- **Proposal Two.** The ratification of the appointment of Ernst & Young LLP as Vishay's independent registered public accounting firm for the year ending December 31, 2008 requires the affirmative vote of holders of a majority of the votes of the shares of common stock and Class B common stock, voting together as a single class, present in person or represented by proxy.
- **Proposal Three.** The approval of the amendment and restatement of the 2007 Stock Option Program requires the affirmative vote of holders of a majority of the votes of the shares of common stock and Class B common stock, voting together as a single class, present in person or represented by proxy.
- **Proposal Four.** The approval of amendments to the Company's certificate of incorporation and by-laws to limit the maximum size of the Board to fifteen and to grant the Board the exclusive authority to establish the size of the Board requires the affirmative vote of the holders of a majority of the votes of the shares of common stock and Class B common stock, voting together as a single class.

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

Please complete, date, and sign the enclosed proxy card and return it without delay in the enclosed envelope, which requires no additional postage if mailed in the United States.

If you are enrolled in our electronic proxy materials delivery service and received these proxy materials via the Internet, you will need to follow the procedures for online voting in order to vote your shares.

The shares represented by the accompanying proxy will be voted as directed with respect to each of the proposals set forth in the proxy statement, OR, if no direction is indicated, at the recommendations of the Board of Directors.

You may either vote FOR ALL or WITHHOLD your vote for the election of the nominees as directors under Proposal One, or you may vote for only some of the nominees. You may vote FOR, AGAINST or ABSTAIN on Proposals Two, Three and Four.

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 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 Vishay'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 a proposal?***

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 of Directors.

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***What will happen if I do not provide my proxy?***

If you are a stockholder of record, your shares will not be voted.

If you are the beneficial owner of shares held in street name, your broker, bank, or other holder of record might be authorized to vote your shares on certain routine matters. The NYSE considers the election of directors and the ratification of the independent registered public accounting firm to be routine matters. On these matters, your broker or nominee can vote your street name shares on these items even though you have not provided voting instructions, or choose not to vote your shares on these matters. Proposals Three and Four are not routine and cannot be voted without your instructions.

***Who will verify the election results?***

Vishay will appoint an inspector who will ascertain the number of shares outstanding and the voting powers of each, determine the shares represented at the annual meeting and the validity of the proxies and ballots, count all votes and ballots, determine and retain for a reasonable period a record of the disposition of any challenges made to any determinations by such inspector, and certify a determination of the number of shares represented at the annual meeting and his count of all votes and ballots.

***Are there any stockholders who own more than 5% of Vishay's shares or voting power?***

Dr. Felix Zandman, Founder, Executive Chairman of the Board of Directors, and Chief Technical and Business Development Officer of Vishay, directly, beneficially, and as voting trustee under a voting trust agreement, has sole or shared voting power over 45.2% of the total voting power of Vishay's outstanding shares of common stock and Class B common stock and intends to vote **FOR ALL** nominees and **FOR** all proposals.

According to filings made with the Securities and Exchange Commission (SEC), Barclays Global Investors, NA; AXA Financial, Inc.; LSV Asset Management; and State Street Bank & Trust Co. each beneficially own greater than 5% of Vishay's outstanding common stock. See Security Ownership of Certain Beneficial Owners and Management for more information. None of the companies that each beneficially own greater than 5% of Vishay's outstanding common stock has indicated its intentions to Vishay regarding matters to be voted on at the annual meeting.

***Who paid to send me the proxy materials?***

Vishay is required to make these materials available to you. The SEC recently adopted rules that allow us to change the way we make our proxy statement and other annual meeting materials available to you. The rules require that we mail a notice to our stockholders advising that our proxy statement, annual report to stockholders, electronic proxy card, and related materials are available for viewing, free of charge, on the Internet. Stockholders may then access these materials and vote over the Internet or request delivery of a full set of materials by mail or email. We have elected to utilize this new process for the 2008 annual meeting. We intend to begin mailing the required notice, called Notice of Internet Availability of Proxy Materials, to stockholders on or about April 16, 2008. The proxy materials will be posted on the Internet, at [ir.Vishay.com](http://ir.Vishay.com), no later than the day we begin mailing the Notice.

These new rules give us the opportunity to serve you more efficiently by making the proxy materials available quickly online and reducing costs associated with printing and postage. If you receive a Notice, you will not receive a paper or electronic copy of the proxy materials unless you request one, using the procedure described in the Notice and on Vishay's investor relations website. You may also elect to receive the Notice for future meetings electronically, which will save Vishay printing and mailing costs, by registering for this program at [www.icsdelivery.com/vsh](http://www.icsdelivery.com/vsh) or by contacting your broker.

The cost of solicitation of proxies will be borne by Vishay. The Board of Directors may use the services of Vishay'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 Vishay will reimburse them for the reasonable expenses incurred by them in so doing.

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## GOVERNANCE OF THE COMPANY

### ***What is corporate governance?***

Corporate governance is the process by which companies govern themselves.

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

- Review of Vishay's performance, strategies, and major decisions;
- Oversight of Vishay's compliance with legal and regulatory requirements and the integrity of its 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 below.

### ***Where can I find more information about the corporate governance practices of Vishay?***

Various corporate governance related documents are available on our website. These include:

- Corporate Governance Principles
- Code of Business Conduct and Ethics
- Code of Ethics Applicable to the Company's Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or Controller and Financial Managers
- Audit Committee Charter
- Nominating and Corporate Governance Committee Charter
- Compensation Committee Charter
- Policy on Director Attendance at Annual Meetings
- Nominating and Corporate Governance Committee Policy Regarding Qualification of Directors
- Procedures for Securityholders' Submissions of Nominating Recommendations
- Securityholder Communications with Directors and Interested Party Communication with Non-Management Directors
- Whistleblower and Ethics Hotline Procedures
- Related Party Transaction Policy

To view these documents, access [ir.Vishay.com](http://ir.Vishay.com) and click on "Corporate Governance." Any of these documents can be obtained in print by any stockholder upon written request to Vishay'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 Company's Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or Controller and Financial Managers on our website.



***What is the composition of the Board of Directors?***

Vishay has a staggered Board of Directors divided into three classes. The maximum number of directors has been fixed by the Board of Directors at twelve. There are currently eleven members of the Board. As described in Proposal One, four directors will be elected to Class II for a term expiring at the annual meeting of stockholders in 2011. Biographical information on each of the directors is included in Proposal One.

***How does the Board determine which directors are considered independent?***

The Board of Directors has determined that, to be considered independent, an outside director may not have a direct or indirect material relationship with Vishay. 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 Vishay 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.

The Board is aware that Dr. Zandman, our Executive Chairman and Chief Technical and Business Development Officer, and his family have approximately \$1 million invested in funds managed by the CMS Companies, which are controlled by director Mark Solomon, an amount constituting less than 1% of the total funds under management by these entities. The Board has affirmatively determined that this investment does not constitute a material relationship of Mr. Solomon with Vishay and that there is no other relationship of the non-management directors with Vishay or its management that constitutes a material relationship. The Board also considered social relationships between Dr. Zandman and some of the Company's non-management directors. The Board has affirmatively determined that these social relationships do not constitute a material relationship between Vishay and these directors.

Accordingly, the Board has concluded that Zvi Grinfas, Elyahu Hurvitz, Dr. Abraham Ludomirski, Wayne M. Rogers, Mark Solomon, and Thomas Wertheimer qualify as independent directors. Each of the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee of the Board is composed entirely of independent directors.

***How often did the Board meet during 2007?***

The Board of Directors met five times during the year ended December 31, 2007. In 2007, each director attended at least 80% of the aggregate number of meetings of the Board of Directors and any Committee on which such director served. Information regarding Vishay's policy on director attendance at annual meetings of stockholders and the number of directors attending last year's annual meeting may be found on our website at [tr.Vishay.com](http://tr.Vishay.com).

The non-management directors also periodically meet in sessions where management directors are not present. During the year ended December 31, 2007, the non-management directors met two times.

***What is the role of the Board's Committees?***

The Board of Directors maintains an Executive Committee, a Nominating and Corporate Governance Committee, an Audit Committee, and a Compensation Committee, each of which is described below.

*Executive Committee* - The Executive Committee is authorized to exercise all functions of the Board of Directors in the intervals between meetings of the Board to the extent permitted by Delaware law.

*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, or recommending that the Board of Directors select, the director nominees for the next annual meeting of stockholders; developing and recommending to the Board a set of corporate governance principles for Vishay; overseeing the evaluation of the Board and the management of Vishay; administering Vishay'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.

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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 Committee is Mr. Hurvitz.

**Audit Committee** - The functions of the Audit Committee include overseeing Vishay'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. A copy of the Committee's charter is available to stockholders on our website and in print upon request. Also see "Audit Committee Report."

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 Mr. Wertheimer, the chairman of the Committee, qualifies as an audit committee financial expert satisfying the rules of the SEC.

**Compensation Committee** - The functions of the Compensation Committee include evaluating the performance of the Chief Executive Officer and, based on this evaluation, determining and approving the compensation of the Chief Executive Officer; making recommendations to the Board with respect to compensation of our other executive officers; making recommendations to the Board with respect to compensation of non-management directors; making recommendations to the Board with respect to, and administering, our incentive compensation plans and equity based plans; and performing other related functions specified in the Committee's charter. The Compensation Committee is authorized, within the limits of the 1998 stock plan (which expired March 16, 2008) and the 2007 stock plan of Vishay, to determine the individuals who are to receive grants and the vesting requirements with respect to those grants, and to administer and interpret the stock plans. The Compensation Committee is also authorized, within the limits of our stock option programs, to determine the individuals who are to receive grants and the vesting requirements with respect to those grants and to administer and interpret the programs. The current chairman of the Committee is Mr. Grinfas. A copy of the Committee's charter is available to stockholders on our website and in print upon request. Also see "Executive Compensation."

The following table summarizes the composition of these committees as of April 11, 2008:

	Executive Committee (1)	Audit Committee	Nominating and Corporate Governance Committee	Compensation Committee (2)
Dr. Felix Zandman	**	☐	☐	☐
Eliyahu Hurvitz	☐	☐	**	☐
Zvi Grinfas	☐	*	☐	**
Dr. Abraham Ludomirski	☐	☐	*	*
Dr. Gerald Paul	*	☐	☐	☐
Wayne M. Rogers	☐	*	☐	☐
Ziv Shoshani	*	☐	☐	☐
Mark I. Solomon	☐	☐	*	☐
Thomas C. Wertheimer	☐	**	☐	*
Marc Zandman	*	☐	☐	☐
Ruta Zandman	☐	☐	☐	☐
<b>Number of Meetings during 2007</b>	0	9	3	4
<b>Actions by Unanimous Consent in Lieu of Meeting during 2007</b>	1	0	0	1

(1) The Executive Committee meets informally once a month to discuss various business issues.

(2) Messrs. Grinfas and Wertheimer replaced Messrs. Hurvitz and Solomon on the Compensation Committee effective May 22, 2007.

\*\* Chairman

\* Member

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***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 its 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 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 reelection and, if reelected, 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 Committee may also engage a search firm to assist in identifying qualified candidates. Where such a search firm is engaged, the Committee sets the fees and scope of engagement. The 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 Committee may solicit the views of management and other members of the Board and may, if deemed helpful, conduct interviews of proposed candidates. The 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 Vishay.

***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 Vishay 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 Vishay; have adequate time to devote to serve on the Board of Directors; and satisfy our retirement policy for directors. 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. A detailed description of the qualifications required of candidates for director, as well as the specific qualities or skills we believe should be possessed by one or more directors, can be found on our website.

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***Can I recommend a nomination 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 Committee's procedures, as outlined below and set forth on our website. For each annual meeting of our stockholders, the Committee will accept for consideration only one recommendation from any stockholder or affiliated group of stockholders. The 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. In considering a stockholder recommendation, the Committee will take into account, among other factors, the size and duration of the recommending stockholder's ownership interest in Vishay and whether the stockholder intends to continue holding that interest through the annual meeting date. Stockholders should be aware, as discussed above, that it is our general policy to re-nominate qualified incumbent directors and that, absent

special circumstances, the Committee will not consider 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 Intertechnology, Inc., 63 Lancaster Avenue, 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 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. 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 Security Holders Submission of Nominating Recommendations](#), which is posted on our website. 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.

**How do stockholders and others communicate with the Board?**

Vishay stockholders may communicate with the Board of Directors, 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 Intertechnology, Inc., 63 Lancaster Avenue, Malvern, PA 19355; or by e-mail to [boardofdirectors@Vishay.com](mailto:boardofdirectors@Vishay.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 Vishay 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 Vishay; (iii) any special interest, meaning an interest not in the capacity as a stockholder of Vishay, 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 Vishay management.

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**DIRECTOR COMPENSATION**

Our non-employee directors each received a fee of \$2,500 for each individual Board or Committee meeting attended in person, and \$1,000 for each Board or Committee meeting attended telephonically, during 2007. Concurrent with the annual meeting, each non-employee director receives a retainer fee of \$30,000 for serving on the Board of Directors. Directors who are also employees of Vishay do not receive any additional compensation for their service as directors. See [Executive Compensation](#).

The following table provides information with respect to the compensation paid or provided to the Company's non-management directors during 2007:

Name	Fees Earned and Paid in Cash
Zvi Grinfas	\$54,000
Eliyahu Hurvitz	36,000
Dr. Abraham Ludomirski	42,000
Wayne M. Rogers	45,500
Mark I. Solomon	39,500

Thomas C. Wertheimer	52,000
Philippe Gazeau (1)	2,500

(1) Mr. Gazeau resigned from the Board of Directors on March 15, 2007.

The Company's non-management directors did not receive any option awards, stock awards, non-equity incentive compensation, pension, or other compensation in 2007. The Company is proposing to amend and restate its 2007 Stock Option Program to permit awards under the plan to non-management directors and to include awards under the program of restricted stock and restricted stock units. Subject to stockholder approval of the amendment and restatement at the annual meeting, the Board of Directors has determined to award to each of the non-management directors 24,000 restricted stock units, with vesting in three equal annual installments. See Proposal Three.

Mrs. Ruta Zandman is employed by Vishay as a public relations associate and accordingly receives no compensation for her service on the Board of Directors. Mrs. Zandman's salary for 2007 was \$25,000. Mrs. Zandman does not participate in any of Vishay's retirement or incentive compensation programs.

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## PROPOSAL ONE

### ELECTION OF DIRECTORS

Four directors will be elected to Class II for a term expiring at the annual meeting of stockholders in 2011.

Eliyahu Hurvitz, Dr. Abraham Ludomirski, Wayne M. Rogers and Mark I. Solomon are the nominees for election as Class II Directors for terms of three years, expiring at the 2011 annual meeting of stockholders. Each of the nominees is currently a member of the Board and has consented to serve if elected.

There is a vacancy in the position of one Class I director due to the resignation of Philippe Gazeau on March 15, 2007. The Board of Directors has not nominated a candidate to this position at the annual meeting, but may designate a director for the position at a later time.

If any nominee for director becomes unavailable for election, the proxies will be voted for such substitute nominee(s) as the Board of Directors 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	Term Expiring
<b>Nominees for Election as Class II Directors:</b>			
Eliyahu Hurvitz	75	1994	2011
Dr. Abraham Ludomirski	55	2003	2011
Wayne M. Rogers	75	2006	2011
Mark I. Solomon	68	1993	2011
<b>Class I Directors:</b>			
Dr. Felix Zandman <sup>(1)(2)</sup>	79	1962	2010
Zvi Grinfas	67	2003	2010
Dr. Gerald Paul	59	1993	2010
<b>Class III Directors:</b>			

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Ziv Shoshani <sup>(1)</sup>	41	2001	2009
Thomas C. Wertheimer	67	2004	2009
Marc Zandman <sup>(1)(3)</sup>	46	2001	2009
Ruta Zandman <sup>(1)</sup>	70	2001	2009

- (1) Dr. Zandman and Ruta Zandman are married. Marc Zandman is their son and Ziv Shoshani is their nephew.
- (2) Executive Chairman of the Board.
- (3) Vice Chairman of the Board.

**Nominees for Election as Class II Directors □ Terms Expiring 2011**

**Eliyahu Hurvitz** is Chairman of the Board of Teva Pharmaceutical Industries Ltd., a leading generic pharmaceutical company, and was President and Chief Executive Officer of Teva prior to stepping down from these positions in April 2002. He serves as Chairman of the Board of The Israel Democracy Institute (IDI), Chairman of the Board of Neuro Survival Technologies Ltd., an Israeli molecular imaging and drug development company, Chairman of the Board of Pontifax Management (G.P) Ltd. and Chairman of the Board of Protalix BioTherapeutics, Inc. He was a member of the Belfer Center for Science and International Affairs at John F. Kennedy School of Government at Harvard University from 2002 until 2005. He received a B.A. in economics and business administration from the Hebrew University in 1957.

**Dr. Abraham Ludomirski** is the founder and managing director of Vitalife Fund, a venture capital company specializing in high-tech electronic medical devices. He is also the Chairman of the Board of Sightline Technologies Ltd., an Israeli high technology company specializing in miniature electronics and optical and video systems.

**Wayne M. Rogers** is an investor and regular stock commentator and analyst on Fox News Channel. Mr. Rogers is also president of Wayne M. Rogers & Co., an investment management firm.

**Mark I. Solomon** is a founder and Chairman of CMS Companies, a provider of financial advisory services, specializing in money management and real estate investments.

Under the Company's Corporate Governance Principals, 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. The Board has made such a determination with respect to Messrs. Hurvitz and Rogers.

**The Board of Directors recommends that you vote □FOR ALL□ the nominees as directors.**

**Class I Directors □ Terms Expiring 2010**

**Dr. Felix Zandman** is a founder of Vishay, and has been Executive Chairman of the Board since 1989 and a Director since Vishay's inception in 1962. In addition to his position as Executive Chairman, Dr. Zandman became Chief Technical and Business Development Officer on January 1, 2005. Dr. Zandman was Chief Executive Officer of Vishay from its inception in 1962 through December 31, 2004, when Dr. Gerald Paul was appointed Chief Executive Officer. Dr. Zandman had been President of Vishay from its inception through March 1998.

**Zvi Grinfas** has been a technology consultant to Israeli companies since 1988. Prior to that, Mr. Grinfas served in various executive positions including CEO and Chairman of the Board of IMP, Inc., a semiconductor company.

**Dr. Gerald Paul** was appointed Chief Executive Officer effective January 1, 2005. Dr. Paul has served as a Director of Vishay since 1993, and has been President of Vishay since March 1998. Dr. Paul also was Chief Operating Officer from 1996 to 2006. Dr. Paul previously was an Executive Vice President of Vishay from 1996 to 1998, and President of Vishay Electronic Components, Europe from 1994 to 1996. Dr. Paul has been Managing Director of Vishay Electronic GmbH, a subsidiary of Vishay, since 1991. Dr. Paul has been employed by Vishay

and a predecessor company since 1978.

### **Class III Directors □ Terms Expiring 2009**

**Ziv Shoshani** was promoted to the position of Chief Operating Officer effective January 1, 2007. During 2006, he was Deputy Chief Operating Officer. Mr. Shoshani has been Executive Vice President of Vishay since 2000 with various areas of responsibility. Mr. Shoshani has been employed by Vishay since 1995. He is the nephew of Dr. Felix Zandman, Vishay's Executive Chairman and Chief Technical and Business Development Officer.

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**Thomas C. Wertheimer** became a director effective May 1, 2004. Mr. Wertheimer is an independent financial and accounting consultant. Prior to his retirement in 2000, he was a senior audit partner with the accounting firm of PricewaterhouseCoopers LLP and its predecessor Coopers & Lybrand LLP. In this capacity, Mr. Wertheimer was responsible for the audits of major U.S. and international public companies and was also a technical consulting partner in the firm's national office. From 2003 until 2007, Mr. Wertheimer was a consultant for the Public Company Accounting Oversight Board (PCAOB). He is also a director of Fiserv, Inc., an information management and service provider, and Xinyuan Real Estate Co., Ltd., a residential real estate developer in China.

**Marc Zandman** has been Vice Chairman of the Board since 2003, a Director of Vishay since 2001, and President of Vishay Israel Ltd. since 1998. Mr. Zandman was appointed Chief Administration Officer as of January 1, 2007. Mr. Zandman was Group Vice President of Vishay Measurements Group from 2002 to 2004. Mr. Zandman has served in various other capacities with Vishay since 1984. He is the son of Dr. Felix Zandman, Vishay's Executive Chairman and Chief Technical and Business Development Officer.

**Ruta Zandman** has been employed by Vishay since October 1993 as a Public Relations Associate. She is the wife of Dr. Felix Zandman, Vishay's Executive Chairman and Chief Technical and Business Development Officer, and usually accompanies Dr. Zandman on business trips as a representative of Vishay. Mrs. Zandman has shared or contingent voting power over shares representing approximately 25.5% of the total voting power of Vishay's outstanding shares of common stock and Class B common stock.

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### **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. Our independent registered public accounting firm is also responsible for auditing the effectiveness of our internal control over financial reporting in accordance with standards of the 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 the following with management and our independent registered public accounting firm, Ernst & Young LLP: (a) the audited financial statements for the fiscal year ended December 31, 2007; (b) the effectiveness of our internal control over financial reporting; and (c) the matters required to be discussed by *Statement on Auditing Standards No. 114 (Communications with Audit Committees)* and Rule 2-07 of SEC Regulation S-X. 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 the written disclosures and the letter from Ernst & Young LLP required by *Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees)* and discussed with Ernst & Young LLP the firm's independence. The Audit Committee also considered the compatibility of non-audit services provided to Vishay 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 2007 did not impair the independent registered public accounting firm's independence. (The fees and costs billed by the independent registered public accounting firm for audit and non-audit services in 2006 and 2007 are shown under Proposal Two.) Under the Audit and Non-Audit Services Pre-Approval Policy that was adopted by the Audit Committee in May 2003, the Audit Committee must pre-approve all audit and non-audit services provided to Vishay 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 the above 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, 2007 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 2008, but the Committee has determined in accordance with our historical practices to submit the appointment for ratification by stockholders (See Proposal Two).

Respectfully submitted,

The Audit Committee of the Board of Directors

Thomas C. Wertheimer, Chairman  
Zvi Grinfas  
Wayne M. Rogers

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## PROPOSAL TWO

### **RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors 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, 2008, 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 1968. Although stockholder approval for the appointment of the independent registered public accounting firm is not required, we are continuing our practice of 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 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 May 2003, the Audit Committee must pre-approve all audit and non-audit services provided to Vishay 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 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 Vishay in 2007 and 2006. 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.



	2007	2006
Audit fees	\$6,500,000	\$6,300,000
Audit-related fees	100,000	300,000
Tax fees	900,000	900,000
All other fees	200,000	100,000
<b>Total fees</b>	<b>\$7,700,000</b>	<b>\$7,600,000</b>

*Audit fees.* These fees generally consist of professional services rendered for the audits of the consolidated financial statements of Vishay and its internal control over financial reporting, quarterly reviews, subsidiary or equity investment audits, issuance of comfort letters, 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 Vishay's financial statements or that are traditionally performed by the independent registered public accounting firm, issuance of consents and letters to underwriters, due diligence related to acquisitions, internal control reviews, attest services that are not required by statute or regulation, consultations concerning financial accounting and reporting standards, and financial audits of employee benefit plans.

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*Tax fees.* These fees generally relate primarily to tax compliance, including review and preparation of corporate and expatriate 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 and assessments and audits of various contractual arrangements.

Vishay did not make use in fiscal 2007 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 Audit Committee and the Board of Directors recommend that you vote FOR<sup>1</sup> the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008.**

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#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

On April 11, 2008, Vishay had outstanding 171,992,205 shares of common stock, each of which entitles the holder to one vote, and 14,352,888 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 Vishay common stock and Class B common stock beneficially owned by (a) each director and director nominee, (b) each Named Executive Officer<sup>1</sup> identified under Executive Compensation,<sup>1</sup> (c) the directors and executive officers of Vishay as a group and (d) any person owning more than 5% of Vishay common stock or the Class B common stock.

Amount and Nature of Beneficial	Common Stock		Class B Common Stock		
	Ownership Under Options Exercisable	Percent	Amount and Nature of Beneficial	Percent	Voting

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<b>Name</b>	<b>Ownership</b>	<b>within 60 days</b>	<b>of Class</b>	<b>Ownership</b>	<b>of Class</b>	<b>Power</b>
<b><i>Directors and Executive Officers</i></b>						
Dr. Felix Zandman	153	67,526	*	14,261,316(1)	99.4%	45.2%
Zvi Grinfas	1,000	-	*	-	-	*
Richard N. Grubb	60,393	45,000	*			