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Vishay Precision Group, Inc.  
Form PRE 14A  
April 08, 2011

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

Filed by a Party other than the Registrant

Check the appropriate box:

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| <input checked="" type="checkbox"/> | Preliminary Proxy Statement   | <input type="checkbox"/> | Soliciting Material Under Rule 14a-12 |
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Vishay Precision Group, Inc.

(Name of Registrant as Specified In Its Charter)

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PRELIMINARY COPIES, DATED APRIL 8, 2011

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

April 19, 2011

Dear Stockholder:

You are cordially invited to attend the 2011 Annual Meeting of Stockholders of Vishay Precision Group, Inc., to be held at 10:00 a.m., local time, on Thursday, June 2, 2011, 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 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,

Marc Zandman  
Chairman of the Board of Directors

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

NOTICE OF 2011 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON THURSDAY, JUNE 2, 2011

The 2011 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, June 2, 2011 at 10:00 a.m., local time. The meeting will be held to consider and act upon:

1. The election of five directors to hold office until 2012;
2. The ratification of our independent registered public accounting firm for fiscal year 2011;
3. The approval of an amendment to our certificate of incorporation;
4. The approval, by non-binding vote, of our executive compensation;
5. The recommendation, by non-binding vote, of the frequency of stockholder advisory votes on executive compensation; and
6. Such other business as may be brought properly before the meeting.

Our stockholders of record at the close of business on April 18, 2011 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.

By Order of the Board of Directors,

William M. Clancy  
Corporate Secretary

Malvern, Pennsylvania  
April 19, 2011

Important Notice Regarding the Availability of Proxy Materials for the  
Annual Meeting of Stockholders to be Held on June 2, 2011.

The Proxy Statement for the 2011 Annual Meeting of Stockholders and our 2010 Annual Report to  
Stockholders are available for view on our proxy website:

[www.proxyvote.com](http://www.proxyvote.com)

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VISHAY PRECISION GROUP, INC.  
3 GREAT VALLEY PARKWAY  
SUITE 150  
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 Precision Group, Inc. for use at the 2011 Annual Meeting of Stockholders to be held at The Desmond Hotel and Conference Center, 1 Liberty Boulevard, Malvern, PA 19355 on Thursday, June 2, 2011 at 10:00 a.m., local time, or any adjournments thereof.

We are first sending the proxy materials to stockholders on or about April 19, 2011.

ABOUT THE MEETING

Why did I receive these materials?

Pursuant to the rules of the New York Stock Exchange, we are required to hold a meeting of stockholders annually. This year's meeting will be held on June 2, 2011. There will be several 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."

We intend to begin mailing the required notice with the full set of materials to stockholders on or about April 19, 2011. The proxy materials will be posted on the Internet, at <http://ir.VishayPG.com>, no later than the day we begin mailing the notice and the accompanying proxy materials.

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 18, 2011 as the record date for the 2011 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, with respect to those shares, the stockholder of record. 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?

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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'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 and 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, 2011 (see Proposal Two);
- FOR the adoption of an amendment to our Certificate of Incorporation (see Proposal Three);
- FOR approval, on an advisory basis, of the compensation for our named executive officers (see Proposal Four);
- FOR approval, on an advisory basis, of a triennial stockholder advisory vote on executive compensation (see Proposal Five); and
- for or against any other matters that come before the 2011 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 \_\_\_\_\_ shares of common stock and \_\_\_\_\_ 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 2011 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, 2011 requires the affirmative vote of a majority of the votes cast on Proposal Two.
- Proposal Three. The approval of an amendment to our certificate of incorporation requires the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares.



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- Proposal Four. The non-binding approval of our executive compensation requires the affirmative vote of a majority of the votes cast on Proposal Four.
- Proposal Five. The non-binding recommendation regarding the frequency of stockholder advisory votes on executive compensation requires a majority of the votes cast on Proposal Five.

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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 2011 Annual Meeting. Abstentions, because they are included in the number of votes outstanding, will have the same effect as a vote “against” Proposal Three. Abstentions will have no effect on the election of directors under Proposal One, or on the votes under Proposals Two, Four and Five.

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, the adoption of amendments to our certificate of incorporation, or the approval, on an advisory basis, of certain resolutions relating to the compensation of our executive officers. Accordingly, brokers may vote in their discretion only on Proposal Two. For your vote to be counted with respect to all other Proposals, including the election of directors, you will need to communicate your voting decisions to your bank, broker or other holder of record before the date of the 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 proposals, with the exception of Proposal Three, 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 except Proposal Three. With respect to Proposal Three, broker non-votes will be treated like abstentions, and will have the same effect as a vote “against” Proposal Three.

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](http://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 received our proxy materials by mail, you may complete, sign and mail your 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, 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 Proposals Two, Three and Four. You may vote for “1 Year”, “2 Years”, “3 Years” or “abstain” on Proposal Five.

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 2011 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.



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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?

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. However, even if you do not provide voting instructions for all proposals, your broker, bank, or other holder of record might be authorized to vote your shares on certain routine matters. The NYSE considers the ratification of the independent registered public accounting firm (Proposal Two) to be a routine matter. On this matter, your broker or nominee can vote your street name shares on this item even though you have not provided voting instructions, or chose not to vote your shares on these matters. With respect to matters that are not "routine", your broker or nominee will not be able to vote your shares and they will be recorded as "broker non-votes."

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, including with respect to the ratification of the independent registered public accounting firm (Proposal Two). With respect to matters that are not "routine", your broker or nominee will not be able to vote your shares and they will be recorded as "broker non-votes."

Who paid to send me the proxy materials?

The cost of production and mailing of proxy materials, and the solicitation of proxies, will be 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 our Chief Executive Officer (“CEO”). The Board oversees these activities. In doing so, each director is required to use 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 herein.

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 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

To view these documents, access <http://ir.VishayPG.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 Company’s Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or Controller and Financial Managers 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 will be elected for a term expiring at the annual meeting of stockholders in 2012. 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.



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Accordingly, the Board has concluded that Dr. Samuel Broydo, Saul Reibstein and Timothy Talbert 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 2010?

The Board met three times in the period between July 6, 2010 (the date that VPG became an independent public company, following its spin-off from Vishay Intertechnology, Inc.) and December 31, 2010. In 2010, each director attended all of the meetings of the Board and any Committee on which such director served. It is the policy of the Board that directors are expected to attend the 2011 Annual Meeting and all future annual meetings of stockholders.

What is the role of the Board's Committees?

Immediately following the spin-off, the Board established a Nominating and Corporate Governance Committee, an Audit Committee, and a Compensation Committee, each of which is described herein.

**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 combined and 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. 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.

**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 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 2010 Stock Incentive Program (the "2010 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 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 Chief Executive Officer, as may be in the best interests of the Company from time to time. The Board separated the positions of Chairman and Chief Executive Officer when the Company was spun off from Vishay Intertechnology, Inc.

The long experience of Mr. Marc Zandman, our Chairman, with the Company's business (as a subsidiary of Vishay Intertechnology, Inc. prior to the spin-off) uniquely qualifies him to serve as the Board's non-Executive Chairman as VPG develops as an independent public company. At the same time, the active membership of Mr. Ziv Shoshani, our Chief Executive Officer, on the Board assures our Board of the benefit of his comprehensive knowledge of the Company's business, day-to-day operations, industry and competitive challenges.





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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	—	—	—
Number of Meetings during 2010	5	1	1
Actions by Unanimous Consent in Lieu of Meeting during 2010	0	0	0

\* – 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

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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.

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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. 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 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 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 herein, 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 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

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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.

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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@VishayPG.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

Concurrent with the annual meeting, each non-employee director receives an annual retainer fee of \$30,000 for serving on the Board, excluding the Chairman. Concurrent with the annual meeting, Mr. Zandman receives an annual retainer fee of \$75,000 for serving as non-Executive Chairman of the Board. Directors who are also employees of VPG do not receive any additional compensation for their service as directors. See discussion herein under the heading "Executive Compensation."

At the time of their initial election to the Board in July 2010, our non-employee directors, excluding the Chairman, each received a founder's equity grant of RSUs worth \$30,000 at the time of grant. At the time of his initial election to the Board in July 2010, the non-Executive Chairman received a founder's equity grant of RSUs worth \$75,000 at the time of grant. All founder's equity grants of RSUs to non-employee directors vest in three equal annual installments beginning on July 6, 2011. In March 2011, our Compensation Committee approved a grant of RSUs worth \$10,000 to all of our non-employee directors, other than our Chairman, effective immediately after the 2011 Annual Meeting, and a grant of RSUs worth \$25,000 to our Chairman effective immediately after the 2011 Annual Meeting. These grants are subject to each director's re-election at the 2011 Annual Meeting; the RSUs will vest on the first anniversary of the 2011 Annual Meeting.

The following table provides information with respect to the compensation paid or provided to the Company's non-management directors during 2010:

Name	Fees Earned and		Stock	Total
	Paid in Cash	(1)	Awards	
Samuel Broydo	\$ 30,000	\$ 30,000	\$ 30,000	\$ 60,000
Saul Reibstein	\$ 30,000	\$ 30,000	\$ 30,000	\$ 60,000
Timothy Talbert	\$ 30,000	\$ 30,000	\$ 30,000	\$ 60,000
Marc Zandman (2)	\$ 75,000	\$ 75,000	\$ 75,000	\$ 150,000

(1) Each of the directors was granted RSUs in 2010 under the Vishay Precision Group, Inc. 2010 Stock Incentive Program. The RSUs vest in three equal annual installments, beginning on the first anniversary of the spin-off of the Company from Vishay Intertechnology, Inc. 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.

(2) Non-Executive Chairman.

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 2012. 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	74	2010
Saul Reibstein	62	2010
Ziv Shoshani	44	2009
Timothy Talbert	64	2010
Marc Zandman (1)	49	2010

(1) Non-Executive Chairman of the Board.

Nominees for Election as Directors – Terms Expiring 2012

Marc Zandman is the non-executive Chairman of our Board. Mr. Zandman has been Vice Chairman of the board of directors of Vishay Intertechnology, Inc. (“Vishay Intertechnology”) since 2003; a Director of Vishay Intertechnology since 2001; and President of Vishay Intertechnology Israel Ltd. since 1998. Mr. Zandman was appointed Chief Administration Officer of Vishay Intertechnology as of January 1, 2007 and served as Group Vice President of Vishay Intertechnology Measurements Group from 2002 to 2004. In addition to these positions, Mr. Zandman has served in various other capacities with Vishay Intertechnology since 1984. He is the son of Dr. Felix Zandman, the founder and executive chairman of Vishay Intertechnology who controls approximately 45% of the voting power of our Company. Mr. 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. For biographical information concerning Mr. Shoshani, see “Executive Officers.” 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. Since 2004, Mr. Reibstein has 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 manages nine business units in CBIZ’s Financial Services Group and is responsible for acquisitions of accounting firms for CBIZ on a national basis. Mr. Reibstein has over 35 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

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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.

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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 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 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.



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 combined and consolidated financial statements. Our independent registered public accounting firm is responsible for, among other things, performing an independent audit of our combined and 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, the audited financial statements for the fiscal year ended December 31, 2010 and discussed with the independent auditors 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 AU Section 380. 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 2010 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