Triodos Investment Management

UNIVERSAL DISPLAY CORPORATION

MEETING DATE	Thu, 18 Jun 2015 16:00 pm	TYPE AGM	ISSUE DATE Mon, 08 Jun 2015
MEETING LOCATION	4010 City Avenue, Philadelphia, Pennsylvania 19131		
CURRENT INDICES	PIRC Global		
SECTOR	Electronic components, not elsewhere classified		

	PROPOSALS	ADVICE
1a	**Elect Steven V. Abramson** President and Chief Executive Officer.	**For**
1b	**Elect Leonard Becker** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	**Oppose**
1c	**Elect Richard C. Elias** Independent Non-Executive Director.	**For**
1d	**Elect Elizabeth H. Gemmill** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	**Oppose**
1e	**Elect Rosemarie B. Greco** Independent Non-Executive Director.	**For**
1f	**Elect C. Keith Hartley** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	**Oppose**
1g	**Elect Lawrence Lacerte** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	**Oppose**
1h	**Elect Sidney D. Rosenblatt** Executive Vice President, Chief Financial Officer, Treasurer and Secretary.	**For**
1i	**Elect Sherwin I. Seligsohn** Executive Chairman. Founder and previous CEO of the Company. It is not considered good practice for a Chairman to hold an executive position in the Company as it is believed that the management of the business and the functioning of the Board are best kept separate. There is insufficient independent representation on the board. Triodos opposes this resolution.	**Oppose**
2	**Advisory vote on executive compensation** The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: BDB. Overall awards are deemed excessive. Over 50% of the Company's long-term equity is awarded in restricted stock awards, which have no performance criteria beyond time-based vesting. This is not considered an appropriate means of linking pay with performance. Based on these concerns, Triodos opposes this resolution.	**Oppose**
3	**Appoint the auditors** KPMG LLP proposed. Non-audit fees represented 18.55% of audit fees during the year under review and 59.08% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution.	**Oppose**

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory vote on executive compensation

Disclosure: B- The annual bonus for the fiscal year was based upon: achievement of a target revenue goal of approximately $197 million (20%); achievement of a goal for adjusted EBITDA of approximately $87 million (20%); achievement of a target operating expenses goal of approximately $66 million (20%); and 40% based upon team and individual key performance indicators. The overall bonus amount to be paid, after using the above pre-established weighted performance goals, may be modified up or down by an additional 25% based on the individual's specific performance.

With respect to long-term incentive compensation awards granted in 2014, the Named Executive Officers received a target long-term incentive award in an amount ranging from 60% to 100% of their base salaries. One-half of each award was in the form of time-vesting RSUs to vest one-third each year over three years.

Balance: D- Overall awards are deemed excessive. For the fiscal year, the annual bonus was paid out at 88% to 147% of base salary. A large proportion of the annual bonus (40%, plus 25% modifier) is based on individual performance, for which there is limited disclosure of performance measures.

Over 50% of the Company's long-term equity is awarded in restricted stock awards, which have no performance criteria beyond time-based vesting. This is not considered an appropriate means of linking pay with performance.

The performance shares use cumulative revenue growth relative to cumulative revenue growth of the companies in the NASDAQ Electronics Components Index for half of the award and total shareholder return relative to total shareholder return of the companies in the NASDAQ Electronics Components Index for the other half.

Contract: B- Equity is subject to accelerated vesting in a change of control. Contracts do not define good-reason in an appropriate manner.

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