UNIVERSAL DISPLAY CORPORATION

MEETING DATE	Thu, 17 Jun 2021 14:00	TYPE	AGM	ISSUE DATE	Fri, 04 Jun 2021
MEETING LOCATION	Virtual-Only Meeting: www.virtualshareholdermeeting.com/OLED2021				
CURRENT INDICES	PIRC Global				
SECTOR	Electronic components, not elsewhere classified				
FYE	31 Dec 2020				

	PROPOSALS	ADVICE
1.a	**Elect Steven V. Abramson - Chief Executive** Chief Executive.	**For**
1.b	**Elect Cynthia J. Comparin - Non-Executive Director** Independent Non-Executive Director.	**For**
1.c	**Elect Richard C. Elias - Non-Executive Director** Independent Non-Executive Director.	**For**
1.d	**Elect Elizabeth H. Gemmill - Senior Independent Director** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. She is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1.e	**Elect C. Keith Hartley - Non-Executive Director** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Audit committee which is not fully independent which Triodos does not support.	**Oppose**
1.f	**Elect Celia M. Joseph - Non-Executive Director** Independent Non-Executive Director.	**For**
1.g	**Elect Lawrence Lacerte - Non-Executive Director** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. Triodos opposes this resolution.	**Oppose**
1.h	**Elect Sidney D. Rosenblatt - Executive Director** Executive Director. Triodos supports this resolution.	**For**
1.i	**Elect Sherwin I. Seligsohn - Chair (Executive)** Non-Executive Director. Not considered independent as the director is founder and was the previous CEO and President of the company. There is insufficient independent representation on the Board. Triodos opposes this resolution.	**Oppose**

2 Advisory Vote on Executive Compensation **Oppose**

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 company uses adjusted performance metrics for most elements of compensation. The use of non-GAAP metrics prevents shareholders from being able to assess fully whether the performance targets are sufficiently challenging. The company included non-financial metrics into the annual bonus structure, which is considered best practice. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are limited to 200% of base salary, which is considered as acceptable practice. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Five-year vesting would be preferred. Executive compensation is not aligned with peer group averages.

The compensation rating is: EDC.

Based on this rating opposition Triodos opposes this resolution.

3 Appoint the Auditors **Oppose**

KPMG proposed. Non-audit fees represented 15.60% of audit fees during the year under review and 14.78% on a three-year aggregate basis. This level of non-audit fees does not raise serious 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.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: E - The company has failed to provide the fees it paid the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The performance metrics used to award the Annual bonus have not been disclosed. Specific performance targets for all long-term awards have not been adequately disclosed.

Balance: D - The company uses adjusted performance metrics for most elements of compensation. The use of non-GAAP metrics prevents shareholders from being able to assess fully whether the performance targets are sufficiently challenging. The company included non-financial metrics into the annual bonus structure, which is considered best practice. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are limited to 200% of base salary, which is considered as acceptable practice. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Five-year vesting would be preferred. Executive compensation is not aligned with peer group averages.

Contract: C - The company maintains a supplemental executive retirement plan for the benefit of certain officers; which is not in line with best practice. Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. Change-in-control payments are subject to double-trigger provisions. 'Good reason' is not defined appropriately, such that the Remuneration Committee is able to apply discretion when determining the status of a departing executive. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

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