



## **CODE OF CONDUCT FOR DIRECTORS**

### **Statement of Purpose**

The Board of Directors (the "Board") of Universal Display Corporation ("UDC" or the "Company") is uniquely positioned and empowered to ensure that the Company's and its shareholders' interests are appropriately balanced, protected and preserved. This Code of Conduct for Directors (this "Code of Conduct") outlines specific ethical principles that all directors have agreed to comply with and advocate on behalf of the Company.

### **Compliance With Law**

UDC actively promotes compliance with all laws, rules and regulations that govern its business. Obeying both the letter and spirit of the law is one of the foundations of UDC's ethical standards. While no one is expected to be an expert on all of the laws that govern UDC's business, all directors of UDC are expected to have a basic understanding of the particular laws and regulations applicable to their duties as members of the Board, including applicable securities laws and regulations, well enough to know when to seek advice from the General Counsel of the Company (the "General Counsel"), outside legal counsel or other qualified experts.

This Code of Conduct has been written to promote compliance with applicable law. However, should compliance with this Code of Conduct bring any director of UDC into conflict with applicable law, that director must obey the law and notify the General Counsel of the Company or the full Board of the conflict as soon as possible. Directors having questions or concerns about this Code of Conduct are encouraged to bring them to the attention to the General Counsel or the full Board.

### **Conflicts of Interest and Corporate Opportunities**

All directors of UDC should avoid engaging in any outside business or other activity that creates an actual or perceived conflict of interest, or that otherwise jeopardizes UDC's integrity or reputation. A "conflict of interest" occurs when a director's personal or other external interests interfere, or appear to interfere, with the business interests of UDC. While it is impossible to foresee every potential conflict of interest that could arise, all directors must be sensitive to potential conflicts of interest, bring them to the attention of the General Counsel or the full Board, and avoid them where reasonably practicable. If a conflict cannot be avoided, it needs to be managed in an ethical and responsible manner.

All directors owe a duty to UDC to advance the Company's legitimate business interests to the best of their ability. Directors may not take for themselves, or direct to their family members, any opportunities they discover through the use of UDC

property or information, or their position with the Company, if such opportunities might reasonably be of interest to UDC. In addition, UDC property and information may not be used to compete with UDC.

All directors are required to disclose promptly to the General Counsel, President or Chief Financial Officer of the Company, or to the full Board, any outside employment, consulting or other similar activities of a material nature in which they are or intend to become engaged. Such activities would include service as a consultant to, or a director, manager, partner, trustee or member of, another business entity. Directors may not engage in employment, consulting or other similar activities for a business competing with or relating to that of UDC without consent of the full Board. Furthermore, all independent directors are expected to maintain their status as such and to promptly report to the General Counsel or the full Board any activities that might reasonably be expected to impair their continued independence.

### **Insider Trading**

All directors of UDC and their family members are prohibited from buying or selling any Company securities, or buying, selling or exercising any option or other right to buy or sell such securities, while in the possession of material non-public information regarding UDC. In addition, all directors are required to maintain the confidentiality of material non-public information regarding UDC that they may possess and may not give advice or make recommendations regarding investments in any securities of UDC based on any such material non-public information. Information is "material" if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision, or it could reasonably be expected to affect the price of UDC's securities.

To avoid potentially improper trading activity, UDC policy requires that all directors obtain approval from the General Counsel before they, or members of their family, buy or sell any Company securities, or acquire, dispose of or exercise any option or other right to buy or sell such securities. Directors of UDC are prohibited from trading in or purchasing financial instruments on any Company securities (including prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds), or engaging in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of any Company securities. The foregoing restrictions on trading do not limit directors from exercising options, warrants or other similar rights granted to them by UDC, provided the requisite approval from the General Counsel has been obtained.

### **Public Statements and Media Inquiries**

The U.S. Securities and Exchange Commission's (SEC) Regulation FD prohibits the disclosure of material non-public information to securities market professionals and investors who may trade on the basis of that information. Regulation FD requires that any disclosure of material non-public information be made by simultaneous broad dissemination to the public. Accordingly, all directors of UDC are prohibited from disclosing any material non-public information about UDC to anyone outside of

the Company (other than to persons who are obligated to maintain the confidentiality of and not improperly use that information) unless the information is disclosed to the public at the same time. This includes disclosures of information in connection with making speeches or giving interviews or talks at conferences.

If a director receives a request from someone outside the Company for material non-public information—for example, seeking guidance about UDC's quarterly financial results or asking for confirmation of a rumor—he or she should not respond. Instead, the director should ask for the person's name and number and contact the Chief Financial Officer of the Company. Only the Chief Financial Officer or other designated UDC spokespersons may provide such comments to the media or others outside of the Company.

If any director believes that an unauthorized disclosure of material non-public information about UDC may have occurred, he or she should immediately contact the General Counsel. Certain inadvertent disclosures of material non-public information can be "cured" by appropriate and prompt follow-up disclosure to the public.

### **Safeguarding UDC Assets and Confidential Information**

UDC's assets include, but are not limited to, its capital, facilities, equipment, proprietary information, technology, business plans, ideas for new products and services, trade secrets, inventions, copyrightable materials and customer information. All directors of UDC have a duty to protect the Company's assets and use them only for legitimate business purposes of UDC. Any suspected fraud or theft of UDC's assets should be reported immediately to the General Counsel or the full Board.

All directors of UDC are required to maintain the confidentiality of information entrusted to them by Company personnel. This includes all information pertaining to UDC's technologies, materials, services, innovations, designs, ideas, plans, trade secrets, proprietary inventions, distribution and sales methods and systems, sales and profit figures, customer and supplier lists, and relationships with customers, suppliers, employees and others. Directors may not disclose, furnish, divulge, or otherwise make available to third parties any such information, or use any such information for any purposes other than performance of their duties and responsibilities as members of the Board.

### **Disclosure Requirements**

UDC is committed to full compliance with all requirements applicable to its public disclosures. UDC requires that its financial and other reporting fairly present the financial condition, results of operations and cash flows of the Company, and that it comply in all material respects with applicable laws and regulations, including generally accepted accounting principles (GAAP) and the rules of the SEC and the Nasdaq Stock Market, Inc.

UDC has implemented disclosure controls and procedures designed to ensure that its public disclosures are timely, compliant and otherwise full, fair, accurate and

understandable. All directors of UDC, and in particular directors who are members of the Company's Audit Committee, have a responsibility to review these disclosure controls and procedures on a periodic basis, to identify to management of the Company any deficiencies noted therein, and to ensure that management institutes appropriate corrective measures in a timely manner.

### **Obligation to Report Violations**

All directors of UDC are responsible for acting quickly and effectively against violations of this Code of Conduct. If at any time a director finds himself or herself in a situation that he or she believes involves or might reasonably involve a violation of this Code of Conduct, the director should promptly report the matter to the General Counsel or the full Board. Directors becoming aware that others are contemplating actions that would violate this Code of Conduct should take steps to immediately inform the General Counsel or the full Board of the situation. UDC does not permit and will not tolerate retaliation against any director reporting in good faith a violation or possible violation of this Code of Conduct, or of applicable laws, regulations or other requirements.

### **Disciplinary Action**

Directors are subject to disciplinary action for violations of this Code of Conduct. Subject to and in accordance with the Company's by-laws, the full Board shall determine the appropriate disciplinary action for violations of this Code of Conduct.

### **Waivers and Modifications**

Waivers of this Code of Conduct will be given only when determined to be appropriate under the circumstances and in accordance with applicable law, and only upon approval by the full Board or an authorized committee thereof. All such waivers will be disclosed to shareholders and the public as and when required by applicable law or regulation. Subject to the foregoing, this Code of Conduct is subject to modification by the full Board at any time in order to ensure continued compliance with applicable laws, rules and regulations.

### **Relationship to Other Policies**

Directors of UDC who are employees of the Company are also subject to UDC's other corporate policies and procedures, including the Company's Code of Ethics & Business Conduct. In addition, directors who are members of the Audit Committee and other committees established by the Board should be guided by their appropriate committee charters and other related documents.