



## **Human Capital Committee Charter**

The following shall constitute the charter (“Charter”) of the Human Capital Committee (the “Committee”) of the Board of Directors (the “Board”) of Universal Display Corporation (the “Company”).

### **Committee Purpose:**

The purpose of the Committee shall be to (i) discharge the Board’s responsibilities relating to the compensation of the Company’s executives, (ii) review and discuss with the Company’s management the Compensation Discussion and Analysis (“CD&A”) and related executive compensation information to be included in the Company’s annual proxy statement or other applicable Securities and Exchange Commission (“SEC”) filing and recommend to the Board whether the CD&A and related executive compensation information should be included in the proxy statement or other applicable SEC filing, (iii) produce the required report of the Committee for inclusion in the Company’s annual proxy statement or other applicable SEC filing in accordance with SEC rules and regulations, (iv) review and approve the Company’s goals and objectives relevant to the compensation of the Chief Executive Officer of the Company (the “CEO”) and such senior executives as designated by the Committee and evaluate the performance of the CEO and senior executives in light of those goals and objectives, (v) review and approve the compensation level for the senior executives, including the CEO, based on the Committee’s evaluations, and (vi) review and report to the Board on the appropriateness of, and recommendations with respect to, the Board’s compensation.

### **Committee Duties and Responsibilities:**

1. Periodically review the Board’s compensation and recommend to the Board such changes as the Committee determines as being reasonable and appropriate.
2. Oversee the development of an internally consistent and externally competitive executive compensation program in order to attract and retain qualified executives and to provide incentives for the attainment of the Company’s strategic goals and objectives.
3. Review and approve the CEO’s goals and objectives relevant to the CEO’s compensation.
4. Evaluate the CEO’s performance in light of the CEO’s goals and objectives approved by the Committee and approve the CEO’s base salary and short-term incentive compensation based on that evaluation.

5. Review and approve the base salary and short-term incentive compensation for the Company's non-CEO senior executives.
6. Make recommendations to the Board with respect to long-term incentive compensation plans and equity-based compensation plans and any changes thereto.
7. Review and approve awards under the Company's long-term incentive compensation plans and equity-based compensation plans.
8. Review and approve any employment agreements or other forms of executive compensation, including non-qualified deferred compensation plans, non-qualified retirement plans, severance and change-in-control agreements and perquisites.
9. Ensure that the compensation packages for the CEO and senior executives are consistent with the management development plans and succession plans for the CEO and such senior executives.
10. Review and approve the compensation package for any newly elected CEO.
11. Perform an annual performance evaluation of the Committee.
12. Review and discuss annually with the Company's management the CD&A and related executive compensation information and, based on such review and discussion, recommend to the Board whether the CD&A and related executive compensation information should be included in the Company's proxy statement or other applicable SEC filing.
13. Produce annually the required report of the Committee for inclusion in the Company's annual proxy statement or other applicable SEC filing in accordance with SEC rules and regulations.
14. Disclose in the CD&A the extent to which the Committee considered the results of the most recent shareholder advisory vote on the Company's executive compensation program ("Say on Pay Vote") required by Section 14A of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and, if so, how the Committee's actions or decisions were affected by the Say on Pay Vote in connection with the Committee's: (a) evaluating and determining CEO compensation; (b) evaluating and determining non-CEO senior executive compensation; and (c) reviewing and making recommendations regarding incentive compensation plans and equity-based plans, including whether to recommend that the Board adopt, amend or terminate any such plans.
15. At least annually, review the Company's incentive compensation arrangements to evaluate whether they encourage excessive risk-taking, to the extent they are reasonably likely to have a material impact on the Company, and review and discuss the relationship between the Company's risk management policies and practices and compensation.

16. Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
17. Review and reassess, at least annually, the adequacy of this Charter and recommend any proposed changes to the Board for approval.

**Committee Member Qualification:**

Committee members must be comprised entirely of independent directors. A director shall qualify as independent if the Board has affirmatively determined that the member is independent, consistent with the independence criteria as may be established from time to time by the Board, SEC, and Nasdaq. Each member of the Committee must also satisfy all requirements of Nasdaq Marketplace Rule 5605(d)(2)(A), or any successor rule thereto, regarding eligibility for service on the Committee, as determined in accordance with such rule.

**Committee Member Appointment and Removal:**

Committee members will be appointed by the independent members of the Board. Committee members may be removed from membership on the Committee by the independent members of the Board at any time, with or without cause.

**Committee Structure and Operations:**

The Committee shall be comprised of at least two (2) members meeting the qualifications for membership stated above in this Charter. The Committee shall have a chairperson elected or appointed by majority vote of the Board, which chairperson shall be authorized to act on behalf of the Committee between meetings. The Committee shall have the power to delegate aspects of its work to subcommittees, with the approval of the Board. Further, the Board may allocate any of the responsibilities of the Committee to a separate committee, provided that the committee is composed of independent directors. Any such separate committee must have a published committee charter and shall also be comprised of at least two (2) members meeting the qualifications for membership stated above in this Charter. The Committee should meet as often as it may deem appropriate, but in any event at least two (2) times per year. Although the timing and content of each meeting is subject to change at the Committee's discretion, these meetings will generally be as follows:

1. A meeting to, among other matters, (a) review the compensation for the Board, (b) review the CEO's preliminary goals and objectives for the coming year, (c) plan for the annual compensation review of the CEO and senior executives of the Company designated by the Committee, by reviewing the compensation plans and programs prepared by management and the outside compensation consultant hired by the Committee; and (d) review and recommend to the Board any changes to the Company's equity compensation plans and long-term incentive compensation plans.

2. A meeting after the year-end financial results are available to: (a) review the CEO's and the senior executives' performance against their individual and collective objectives for the prior year; (b) review and approve salary increases for the senior executives, including the CEO; (c) review the existing compensation packages for the CEO and the senior executives for internal equity and external competitiveness and for consistency with the management development and succession plans for the CEO and such senior executives, (d) review and approve any incentive compensation awards for the senior executives, including the CEO, under the incentive compensation plan approved for the prior year; (e) finalize the CEO's goals and objectives for the coming year; (f) review and recommend to the Board any incentive compensation plans and equity compensation plans; (g) review the performance of the Company, the CEO and senior executives, as applicable, under the Company's equity compensation plans; and (h) make equity-based awards under the Company's equity compensation plans as determined by the Committee.

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside counsel and any other advisors.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. In retaining compensation consultants, outside counsel and other advisors, the Committee must take into consider the factors specified in Rule 10C-1(b)(4) under the Exchange Act.

#### **Committee Reporting to the Board:**

The Committee shall cause minutes to be kept of each of its meetings, which will be reviewed and approved by the Chairperson of the Committee. Copies of the minutes of each meeting of the Committee will be provided to the Board, and the Chairperson or his or her designee will report on each meeting of the Committee to the Board at the next meeting of the Board following the meeting of the Committee.