

**UNIVERSAL ELECTRONICS INC.  
COMPENSATION COMMITTEE CHARTER**

**JANUARY 1, 2004**

**PURPOSE**

The purpose of the Compensation Committee (the "Committee") of the Board of Directors of Universal Electronics Inc. (the "Company") is to discharge the Board's responsibilities relating to compensation for the Company's directors and executive officers and the Company's stock-based incentive programs and plans. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies, and programs of the Company. The Committee also is responsible for producing, in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"), an annual report on executive compensation for inclusion in the Company's annual proxy statement.

**COMMITTEE MEMBERSHIP**

The Committee shall consist of two or more members of the Board, each of whom the Board has determined has no material relationship with the Company and each of whom is otherwise "independent" under the rules of The NASDAQ Stock Market, Inc.

The members of the Committee shall be appointed and replaced by the Board on the recommendation of the Corporate Governance and Nominating Committee. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

**COMMITTEE STRUCTURE AND OPERATIONS**

The Board shall designate one member of the Committee as its Chair. The Committee shall meet in person or telephonically at least three times a year at a time and place determined by its Chair, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its Chair.

The Committee may invite such members of management to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation discussions. The Company's Chief Executive Officer ("CEO") should not be in attendance during any portion of a meeting in which the CEO's performance or compensation is discussed, unless specifically invited by the Committee.

**COMMITTEE DUTIES AND RESPONSIBILITIES**

1. Establish the Company's general compensation philosophy, and oversee the development and implementation of compensation programs.
2. Review and approve corporate and individual goals relevant to CEO compensation, lead the performance evaluation of the CEO by the Board, recommend to the Board the CEO's compensation level based on this evaluation and communicate such evaluation and compensation level to the CEO.
3. Make recommendations to the Board with respect to the Company's incentive compensation plans and equity based plans, oversee the activities of the committees responsible for administering these plans and discharge any responsibilities imposed on the Committee by any of these plans.
4. Review and approve for the CEO and other executive officers of the Company (i) annual base salary level, (ii) annual incentive opportunity level, (iii) long-term incentive opportunity level, (iv) employment agreements, severance arrangements, change in control or similar termination agreements and (v) other special or supplemental benefits.
5. Prepare an annual report of the Committee on executive compensation for inclusion in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.
6. Make reports to the Board on the activities of the Committee.
7. Conduct an annual performance evaluation of the Committee and report the results of this evaluation to the Board.
8. Meet with the Company's non-executive representative who consults with and advises the Committee regarding employee benefits programs.
9. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

#### **DELEGATION TO SUBCOMMITTEE**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

#### **RESOURCES AND AUTHORITY OF THE COMMITTEE**

The Committee shall have resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate without seeking approval of the Board or management; provided that it inform management of the amount and timing of the spending.