UNIVERSAL MUSIC GROUP N.V.

EXECUTIVE DIRECTORS REMUNERATION POLICY

1. INTRODUCTION

1.1. This document sets out the Remuneration Policy for Universal Music Group N.V. (***UMG*** and the ***Company***) as adopted by the general meeting of shareholders of UMG, effective 21 September 2021. A supplement to the Remuneration Policy (as attached to this document) was approved by the general meeting of shareholders of UMG, effective on 11 May 2023.

1.2. The Remuneration Policy has been developed by the remuneration committee (***Remuneration Committee***) of the Board of Directors of UMG (the ***Board***) and it contains the framework for remunerating the Executive Directors of the Board. The policy fully aligns with the legal requirements of the Dutch Civil Code (***DCC***) and with the Dutch Corporate Governance Code (***DCGC***).

1.3. When determining the Remuneration Policy, the Remuneration Committee has considered the outcome of scenario analyses, impact of share price movements on Executive Director remuneration as well as the pay differentials within the Company. In addition, the compensation levels offered in the relevant peer market and general societal views with respect to remuneration of the Board have been considered.

1.4. The responsibility for implementing the Remuneration Policy lies with the Board. At the recommendation of the Remuneration Committee, the Board will determine the remuneration of the Executive Directors, considering the provisions of this Remuneration Policy. The Executive Directors will not participate in the determination of the remuneration for Executive Directors.

1.5. At least every four years, the Remuneration Committee will review the Remuneration Policy and make recommendations to the Board in respect of any proposed changes. This Remuneration Policy can be amended or restated by the Company's general meeting in accordance with the Company's articles of association and Dutch law.

1.6. A copy of the Remuneration Policy is available on the Company’s website, www.universalmusic.com.

2. THE OBJECTIVES AND PRINCIPLES OF THE REMUNERATION POLICY

2.1. The objective of the Remuneration Policy is to provide a compensation framework that allows the Company to attract, motivate and retain highly qualified Executive Directors and to incentivize and reward long-term, sustainable growth of UMG. In order to ensure that the Remuneration Policy is aligned with the Company’s identity, mission and core values (Authenticity, Boldness, Creativity, Connection, Drive and Insight), it is built on the following principles:

- Focus on Company performance by including at-risk pay for the Executive Directors

- Linkage of performance objectives with UMG's strategy
- Alignment of shareholders' interests with Executive Directors' compensation design
- Ensure competitiveness with relevant markets to support UMG's ability to attract, retain, and motivate high caliber talent
- Support a simple and transparent framework

3. BENCHMARKING AND COMPENSATION PEER GROUP

3.1. The compensation offered to the Executive Directors of UMG is benchmarked against peer companies periodically, considering compensation levels and trends in the market as well as international remuneration standards.

3.2. The Remuneration Committee will regularly review the compensation peer group and potential compensation peer companies that operate in similar industries and geographies with whom the Company is most likely to compete for talent at the executive level. The composition of the compensation peer group will be disclosed in the annual Remuneration Report.

3.3. The Remuneration Committee aims to identify a peer group that best reflects all aspects of UMG's business and talent market. Hence, it considers, but is not limited, the following factors, public listing, industry practices, business model and strategy, geographic footprint and company size. Since UMG is a global company with a strong presence in the United States, and acknowledging the United States as a key market for recruiting talent, it also includes United States-based companies in the peer group.

4. INTERNAL PAY RATIOS

4.1. When determining the total compensation of the Executive Directors, the Remuneration Committee considers the internal pay ratio between Executive Director pay and ordinary employee pay. In addition, the Company considers increases provided to other employees of the group. In line with the DCC and the DCGC, the executive pay-ratio and the trend is disclosed in the annual Remuneration Report.

5. REMUNERATION COMPONENTS

5.1. The remuneration structure for the Executive Directors consists of a number of elements which are outlined below. Additional information on the various elements are presented in the following section.

Element	Key features	Purpose
Base Salary	Fixed level of cash, aligned with the Executive Director's experience and scope of responsibilities	Intended to attract and retain Executives

Short Term Incentive (STI)	Variable amount, paid annually in cash and/or shares subject to the achievement of annually pre-established objectives	Incentivize the realization of performance against UMG's annual goals
Long Term Incentive (LTI)	Variable amount, annually granted in the form of restricted share units, performance share units, phantom restricted share units, phantom performance share units, long-term cash award, or a combination of the vehicles. Subject to continued employment and/or to the achievement of pre-established objectives	Drive and reward long-term value creation linked to the Company's strategy and strengthen alignment with shareholder interests
Pension and other post – Employment Benefits	Customary retirement income and severance benefits	Provide Executive Directors future income security, aligned with relevant market levels
Benefits	Additional arrangements with the aim to compensate for any reasonable costs incurred or perks required for the performance of their duties as Executive Director	Provide benefits in line with market competitive and customary fringe benefits

Base Salary

5.2. The Base Salary reflects the main fixed element of the Executive Directors' remuneration package and takes into consideration the Executive Director's skills, experience, scope of responsibilities, and the external market. The levels are set to attract and retain Executive Directors required to execute the Company's strategy.

5.3. The Boards reviews the fixed base salaries of the Executive Directors periodically and may increase the fixed base salary levels for the Executive Directors on a periodic basis. In making its decision, the Board with advice from the Remuneration Committee, takes a number of factors into account during the review process, including individual performance, the scope and nature of the role, market data, salary increases of the Company's wider employee population and local economic indicators such as inflation and labor market changes to ensure the remuneration is fair, sensible and competitive. In preparation of the periodic review process, the Remuneration Committee could consider to periodically benchmark comparable salaries paid to other Executive Directors in its compensation peer group.

Short-Term Incentive

5.4. The primary objective of the Short-Term Incentive is to ensure executive alignment with and motivate achievement of the annual business priorities for the current year.

5.5. Pay-out of the Short-Term Incentive is based on achievement of annual objectives proposed by the Remuneration Committee and approved by the Board at the beginning of each year. Those annual objectives may include a combination of financial, strategic, operational, and/or individual targets and reflect the Company's key objectives derived from the business plan. Through the selection of the most relevant annual objectives, the Short-Term Incentive will contribute to the long-term interests, realization of the strategy and sustainability of the Company. Details of the annual objectives for each year and how they are aligned with the Company's key objectives will be disclosed in the annual remuneration report.

5.6. The Short-Term Incentive applies rigorous performance measures to ensure a link between annual payout and Company performance. At the end of each performance year, the Board, upon recommendation of the Remuneration Committee, will holistically assess the performance of the Executive Directors against the annual objectives to determine the extent to which the objectives have been achieved and to determine the final pay-out. Insights into realization of the annual objectives will be provided in the annual remuneration report.

5.7. In case of on-target performance, the Short-Term Incentive pay-out equals 25% - 300% of base salary, depending on role, with a range of 0% of base salary if threshold objectives are not met to a maximum of 200% of target for overachievement of objectives. The Short-Term Incentive will be in principle paid out in cash but, in order to ensure alignment with long-term (shareholder) interests, the Board has the flexibility to pay-out in shares (in entirety or partially).

Long-Term Incentive

5.8. The Long-Term Incentive will be a pivotal component of the Executive Directors' remuneration package, as it aligns the interests of the Executive Directors with the interests of shareholders and stakeholders, rewards for delivery of long-term performance objectives and encourages ownership by the Executive Directors in the Company.

5.9. Through the Remuneration Policy, the Board, upon recommendation of the Remuneration Committee, has the opportunity to grant Long-term incentive awards to the Executive Directors. The Long-Term Incentive award may be granted in the form of restricted share units, phantom1 restricted share units, performance share units, phantom1 performance share units, long-term cash awards, or a combination of vehicles (subject to adoption of appropriate equity-based long-term incentive plan(s) where real equity is granted) . Total long-term incentive grant values will range from 25% - 500% of base salary, depending on role. Distribution of the percentage of each long-term incentive vehicle of the total annual award will be disclosed in the annual remuneration report. In case the Long-Term Incentive awards will be granted in the form of real equity, these awards will be granted under the Company's separate Long-Term Incentive plan, which will be proposed separately for approval at the Annual General Meeting of Shareholders.

[1] Phantom refers to a cash award in an equivalent to the value of a real company share

5.10. Performance share units or phantom performance share units could be conditionally awarded at the beginning of a three-year performance period, whereby the number of share units awarded is based on the target percentage of base salary.

5.11. Vesting of the performance share units or phantom performance share units is subject to achievement of predetermined performance objectives, and will occur at the end of the three-year performance period. Those objectives may include a combination of financial, strategic, operational and/or individual targets and reflect the Company's key objectives derived from the business plan. Details of the objectives for each year and how they are aligned with the Company's key objectives will be disclosed in the annual remuneration report. At the end of the period, the Board, upon recommendation of the Remuneration Committee, will holistically assess the performance of the Executive Directors against the objectives to determine the extent to which the objectives have been achieved and to determine the number of performance share units or phantom performance share units vested. The plan may provide for foregone dividends in the form of additional units vested equal to the total dividend amount over three years. Insights into realization of the objectives and number of shares vested will be provided in the annual remuneration report. Maximum vesting of the performance share units or phantom performance share units is 200% of the conditional grant, whereas no share units will vest if the minimum level of performance is not achieved.

5.12. Vesting of the restricted share units or phantom restricted share units is subject to continuous employment and will occur in one to five years in a ratable or cliff vesting schedule, depending on the award. Actual vesting schedules of awards will be disclosed in the remuneration report.

5.13. Vesting of the long-term cash awards is subject to achievement of predetermined performance objectives and will occur at the end of the three-year performance period. Those objectives may include a combination of financial, strategic, operational and/or individual targets and reflect the Company's key objectives derived from the business plan. Details of the objectives for each year and how they are aligned with the Company's key objectives will be disclosed in the annual remuneration report. At the end of the period, the Board, upon recommendation of the Remuneration Committee, will holistically assess the performance of the Executive Directors against the objectives to determine the extent to which the objectives have been achieved and to determine the payout percentage for the long-term cash awards. Insights into realization of the objectives will be provided in the annual remuneration report. Maximum vesting of the long-term cash awards is 200% of the conditional grant, whereas no long-term cash award will vest if the minimum level of performance is not achieved.

Claw back Policy

5.14. In accordance with the Dutch Civil Code, the Board will be entitled, on behalf of the Company, to recover variable payments paid to the Executive Directors, in full or in part, to the extent that payment thereof has been made on the basis of incorrect information about the realization of the underlying goals or about the circumstances from which the entitlement to the bonus arose. The Board has also the authority to adjust the outcome of variable remuneration to an appropriate level if payment of the variable remuneration is unacceptable according to the requirement of reasonableness and fairness. Any application of claw-back or discretion will be disclosed and explained in the Company's annual Remuneration Report.

Pension

5.15. The Executive Directors may participate in the same Company sponsored retirement and savings programs and health care benefits available to other executives and all salaried employees of the country where they are employed or receive a replacement cash allowance.

Severance Benefits

5.16. In the event of an involuntary termination of employment other than for cause, Executive Directors may receive up to a maximum of twelve months' base salary, in accordance with the DCGC. If upon appointment to the Board, legacy severance benefit arrangements are in place for an Executive Director, these may be respected upon approval of the Remuneration Committee. Deviating termination arrangements already in place on adoption of this Remuneration Policy may be respected as well.

Fringe Benefits

5.17. Executive Directors are offered customary perquisites and fringe, which may include items that are in place for the sake of reimbursement of costs incurred in the performance of their duties as Executive Director and/or are required to execute their role as Executive Director. Further information with regards to fringe benefits will be disclosed in the annual remuneration report. The company does not provide loans, including mortgage loans or advance payment to the Executive Directors, nor provides guarantees to the Executive Directors.

6. STOCK RELATED PROVISIONS

6.1. The Board, based upon recommendation of the Remuneration Committee, has the opportunity to introduce stock related provisions to align the long-term interests of the Executive Directors with those of the Company's shareholders and to ensure a sustainable link with the execution of the Company's long-term value creation. The Board has the flexibility to introduce stock related provisions in the form of a holding period on vested equity under the Long-term Incentive such that the vesting period plus holding period equals five years and/or the introduction of share ownership guidelines.

7. TERMS OF ENGAGEMENT MANAGEMENT

7.1. The Company's current Remuneration Policy is that Executive Directors are engaged for a definite period of two years subject to reappointment, with the exception of the executive directors who will be appointed around the time of listing of UMG, who will be appointed until the first annual meeting to be held in 2024, again subject to reappointment. Executive Directors will generally be subject to confidentiality undertakings without limitation in time and appropriate non-solicitation and non-compete provisions.

7.2. If upon appointment to the Board, legacy arrangements are in place for an Executive Director which are not in line with this policy, these may be respected upon approval of the Remuneration Committee. In the cases of death, disability, and retirement, vesting may be accelerated. UMG accepts that this might lead to a deviation from the DCGC.

8. HIRING POLICY

8.1. In case of the appointment of a new Executive Director, both internal and external appointments, the Board of Directors will consider the requirements of the role, profile and experience of the individual and the external talent market. The Board of Directors, upon recommendation of the Remuneration Committee, will aim to align the new Executive Director's remuneration package to the remuneration policy, unless for internal appointments legacy (contractual) arrangements may be respected.

8.2. In case of external appointments, the Board of Directors, upon recommendation of the Remuneration Committee, may decide to grant sign-on awards in cash and/or equity to compensate for the loss of remuneration as a result of the transfer of employment. Sign-on awards would be limited to the value of outstanding arrangements forfeited. When establishing such an award, a holistic assessment will be applied on the design considerations of the arrangements forfeited.

9. DEROGATION

9.1. The Board of Directors may decide, upon recommendation of the Remuneration Committee, to temporarily derogate from the Remuneration Policy, and only until a new policy is adopted. This derogation will only apply in case of exceptional circumstances when it is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability. This may concern all aspects of the Remuneration Policy.

9.2. In general, if upon appointment to the Board, legacy arrangements are in place for an Executive Director which are not in line with this policy, these may be respected upon approval of the Remuneration Committee. This also applies to the situation where contractual commitments entered into are at some point no longer in compliance with the policy as a result of changes made thereto after granting of the relevant remuneration component. Additionally, the Board, upon recommendation of the Remuneration Committee may approve the grants of one-time long-term incentive awards for special circumstances that are separate from and in addition to the annual long-term incentive grants described in Section 5 of this Remuneration Policy. Such awards, if granted, will be described in the remuneration report.

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Supplement to the Executive Directors Remuneration Policy
(as approved by the general meeting of shareholders of UMG (the ***General Meeting***), effective on 11 May 2023)

This supplement will apply to Sir Lucian Grainge only and does not affect the remuneration of any other Executive Director.

The terms of the supplement are set out below. Items where there is a deviation from the Company's existing Executive Directors Remuneration Policy are marked with an asterisk (*).

A. **Base Salary.** The Board, at the recommendation of the Remuneration Committee, may offer Sir Lucian Grainge an annual base salary up to USD 5,000,000, which amount will be subject to review and may be increased periodically in accordance with section 5.3 of the Company's existing Executive Directors Remuneration Policy.

B. **Annual Bonus.** The Board, at the recommendation of the Remuneration Committee, may offer Sir Lucian Grainge the opportunity to participate in an STI consistent with the terms, including performance measures, set forth in the Company's existing Executive Directors Remuneration Policy. Sir Lucian Grainge's STI may be set to be a cash-only incentive, paid annually.

C. **Long Term Incentive.** The Board, at the recommendation of the Remuneration Committee, may offer Sir Lucian Grainge the opportunity to participate in an LTI consistent with the terms, including performance measures, set forth in the Company's existing Executive Directors Remuneration Policy.

D. **Termination and severance.** (*) The Board, at the recommendation of the Remuneration Committee, may offer Sir Lucian Grainge a severance arrangement, also in case (i) Sir Lucian Grainge would terminate his employment for 'Good Reason', (ii) Universal Music Group, Inc. (***UMG, Inc.***) would terminate Sir Lucian Grainge's employment without 'Cause' or (iii) in case of 'Non-Renewal' of Sir Lucian Grainge's extended and amended employment agreement with UMG, Inc. effective as of March 30, 2023, and for a period ending on May 1, 2028 (the ***2023 Agreement***).

The definitions of 'Good Reason', for 'Cause' and 'Non-Renewal' are understood to comprise:

'Good Reason':

(i) removal of Sir Lucian Grainge from his position as an Executive Director on the Board or as Chairman and CEO of UMG, Inc. or the Company, resulting in a material diminution in Sir Lucian Grainge's authority, duties or responsibilities, or in the budget over which Sir Lucian Grainge retains authority;

(ii) the requirement for Sir Lucian Grainge to report to anyone with materially less authority, duties or responsibilities;

(iii) a material decrease in Sir Lucian Grainge's authority, duties or responsibilities, including, but not limited to, a material adverse change to Sir Lucian Grainge's authority, duties or responsibilities as they relate to managing Sir Lucian Grainge's direct reports or Sir Lucian Grainge's involvement in setting UMG's annual budget or UMG's strategy;

(iv) a reduction in Sir Lucian Grainge's base salary or target annual bonus or annual equity award constituting a material diminution in Sir Lucian Grainge's base compensation as determined for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder;

(v) the requirement that Sir Lucian Grainge's principal place of employment be located other than at the principal offices of UMG, Inc. in Los Angeles, California, provided that such change is a material change in the geographic location at which Sir Lucian Grainge must provide his services as determined for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder;

(vi) a material breach by UMG, Inc. of the 2023 Agreement; or

(vii) a 'Change in Control'.

A 'Change in Control' will mean a change in the ownership of the Company, which occurs on the date that any one person would be entitled to, directly and indirectly, exercise at least 30% of the votes in a General Meeting (***Predominant Control***) (which would pursuant to Dutch law trigger a mandatory public offer for all of the outstanding shares in the Company, provided, however, that no change in control will be considered to exist (x) if the voting power of any one person, or more than one person acting in concert, who at the date of the 2023 Agreement (i.e., March 30, 2023) was already entitled to exercise 30% or more of the votes in a General Meeting increases, and (y) if the person who acquired Predominant Control loses such Predominant Control within thirty days of acquiring it, unless the person who acquired Predominant Control has exercised its voting rights in that 30-day period.

'Cause' will have a commonly used meaning.

'Non-Renewal' will mean the expiration of the 2023 Agreement, with UMG, Inc. not having made an offer of employment on terms at least as favorable as the terms set forth in the 2023 Agreement at least ninety days before the expiration date of the 2023 Agreement.

The severance arrangement offered to Sir Lucian Grainge in case his employment would be terminated without 'Cause', if Sir Lucian Grainge would terminate his employment for 'Good Reason' or in case of 'Non-Renewal' may comprise of:

(i) a lump-sum cash amount equal to Sir Lucian Grainge's unpaid base salary earned up to the date of his termination of employment plus an amount equal to two years of base salary;

(ii) a lump-sum cash amount equal to the unpaid portion of any earned bonuses with respect to the last fiscal year ended prior to the date of Sir Lucian Grainge's termination of employment plus the USD 10,000,000 target annual bonus for the year in which Sir Lucian Grainge's termination of employment occurs plus two years of the USD 10,000,000 target annual bonus;

(iii) a lump-sum cash amount equal to the amount that UMG, Inc. would have paid during the two years following Sir Lucian Grainge's termination of employment (based on rates in effect at the time of termination of employment) to provide Sir Lucian Grainge with the benefits he would have been entitled to receive under the additional pension allowance and the broad base of benefit plans in which Sir Lucian Grainge may participate, provided that such amount will not include any vacation benefits;

(iv) each equity award outstanding at the termination of Sir Lucian Grainge's employment, with each such equity award vesting on a pro rata basis in accordance with the terms of the applicable equity award agreement, except that Sir Lucian Grainge will be deemed to be continuously employed for a period of two years from the date of termination for 'Good Reason', 'Without Cause' or following a 'Non-Renewal', with any performance-based equity awards continuing to vest for a period of two years from the date of termination and such vested portion of applicable performance-based equity awards to be settled at target.

In preparing this supplement to the Company's existing Executive Directors Remuneration Policy, the Board considered the external environment in which the Company and its business operate, including the Company's U.S. oriented business, feedback from the Company's shareholders on the Company's existing Executive Director Remuneration Policy, Sir Lucian Grainge's current remuneration package and the Company's remuneration report, Sir Lucian Grainge's views on his own remuneration, the Dutch Corporate Governance Code and sections 2:135 and 2:135a of the Dutch Civil Code.

This supplement does not serve to restrict the remuneration options available under the Company's existing Executive Directors Remuneration Policy.