

UNIVERSAL MUSIC GROUP

REMUNERATION REPORT 2023





REMUNERATION REPORT

This remuneration report offers insight into the remuneration provided to the Executive Directors and Non-Executive Directors during 2023.

The General Meeting on September 20, 2021 adopted the remuneration policies for the Executive Directors (the **Executive Directors' Remuneration Policy**) and Non-Executive Directors (the **Non-Executive Directors' Remuneration Policy**), outlining the framework to determine the remuneration for the Executive Directors and Non-Executive Directors, respectively. In addition, as discussed further below, the General Meeting on May 11, 2023 approved a supplement to the Executive Directors' Remuneration Policy in respect of Sir Lucian Grainge's remuneration package. The supplement applies to Sir Lucian Grainge only and does not affect the remuneration of any other Executive Director.

Unless the context provides otherwise, references in this remuneration report to the Executive Directors' Remuneration Policy refer to the policy as supplemented on May 11, 2023. Where legacy arrangements were in place for the Executive Directors prior to their appointment to the Board, the Executive Directors' Remuneration Policy allows such legacy arrangements to be respected. The current Remuneration Committee and the Board had no input on such legacy arrangements.

This remuneration report has been prepared in accordance with article 2:135b of the Dutch Civil Code and the Dutch Corporate Governance Code. It will be presented for an advisory vote to Shareholders at the annual General Meeting to be held on May 16, 2024.

Executive Directors' Remuneration Policy

The objective of the Executive Directors' Remuneration Policy is to provide a compensation framework that allows UMG 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 Executive Directors' Remuneration Policy is aligned with UMG's identity, mission and core values, 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



Summary Overview of the Key Remuneration Elements and Approach to the Remuneration for 2023

In 2023, the Executive Directors were as follows:

Executive Director	Position
Sir Lucian Grainge	Chairman and Chief Executive Officer (CEO)
Vincent Vallejo	Deputy Chief Executive Officer, Corporate

On March 30, 2023, Sir Lucian Grainge entered into an extension of his prior employment agreement (the **Legacy Agreement**). The amended and extended employment agreement (the **Current Agreement**) runs until May 1, 2028.

Sir Lucian Grainge's Legacy Agreement, effective for 2023 from January 1, 2023 through March 30, 2023, and Vincent Vallejo's remuneration for 2023 continued to be subject to legacy arrangements contractually agreed prior to their appointment to the Board.

The table below sets out the key elements of the remuneration provided in the Executive Directors' Remuneration Policy versus the remuneration approach in 2023 for Sir Lucian Grainge under both the Legacy Agreement (until effectiveness of the Current Agreement) and the Current Agreement, and for Vincent Vallejo under his management services agreement. Sir Lucian Grainge's compensation is denominated in US dollars and is reflected throughout this Remuneration Report remuneration report in both euros and US dollars based on the average monthly US dollar to euro exchange rate in 2023 of 0.924.

Element	Key remuneration elements per Executive Directors' Remuneration Policy	Remuneration approach for 2023		
Base salary	Fixed cash compensation, aligned with the Executive Directors' experience and scope of responsibilities and intended to attract and retain Executive Directors necessary to execute the Company's strategy (as set out above under 'Strategy').	Chairman and CEO:		
			<i>Legacy Agreement</i>	<i>Current Agreement</i>
		Annualized	€16,186,369	€4,620,343
		Deputy CEO:		€960,000
Short-term incentive (STI) ¹	Variable compensation payable annually in cash, shares, or a combination thereof, subject to the achievement of annually pre-established objectives to ensure Executive Director alignment with, and motivate the achievement of, the annual business priorities for the relevant year. On-target STI of up to 300% of annual base salary; maximum STI payout of no more than 200% of target bonus amount for overachievement of targets.	Chairman and CEO:		
			<i>Legacy Agreement</i>	<i>Current Agreement</i>
		EBITA Bonus: Annual cash bonus equal to 1% of UMG's EBITA for the relevant <i>(eliminated entirely for 2023 under the Current Agreement)</i> Contingent Bonus: Annual contingent cash bonus equal to €10,790,913 subject to UMG meeting specific financial and non-financial targets <i>(paid pro rata)</i>		Target bonus: Annual cash bonus with a target payout of €9,240,685, a minimum payout of €0 and a maximum payout of €13,861,028 (300% of base salary), subject to the achievement of specific financial targets detailed below.



Element	Key remuneration elements per Executive Directors' Remuneration Policy	Remuneration approach for 2023	
		<i>for 2023 for the period that the Legacy Agreement was in effect, i.e., from January 1, 2023 through March 31, 2023).</i>	
		Deputy CEO: Annual cash bonus with a target payout of €480,000 (50% of base salary), a minimum payout of €0 and a maximum payout of €960,000 (100% of base salary), subject to the achievement of specific financial targets.	
Long-term incentive (LTI) ¹	Variable compensation payable annually in cash, shares, or a combination thereof, subject to the achievement of annually pre-established objectives and/or continued services to retain Executive Directors necessary to execute the Company’s strategy, to align the interests of Executive Directors with those of Shareholders and other stakeholders, and to reward delivery of long-term value creation linked to the Company’s strategy and strengthen alignment with the interests of Shareholders. LTI grant value is capped at 500% of annual base salary.	Chairman and CEO:	
		<i>Legacy Agreement</i>	<i>Current Agreement</i>
		None	Annual Award: €18,481,370 in a combination of restricted stock units (RSUs) and performance stock units (PSUs), subject to the achievement of specific financial targets detailed below. One-Time Transition Award: €92,406,852, 50% in the form of RSUs which vest in equal installments over 5 years and 50% in performance stock options (PSOs) which vests in equal installments over 4 years and are exercisable only when the share price meets levels detailed below.
		Deputy CEO:	No annual LTI grant
Retirement and other post-employment benefits	Customary retirement income and severance benefits to provide future income security, aligned with relevant market levels.	Chairman and CEO: Agreement ² unchanged: Pension allowance equals 20% of annual base salary, capped at €1,478,510 per year, for a total potential maximum pension allowance of €295,702 per year.	
		Deputy CEO: Agreement unchanged: Participates in the local UMG pension plan.	
Other benefits	Customary and market competitive arrangements to compensate for any reasonable costs incurred or perks required for the performance of their duties.	Chairman and CEO: Agreement unchanged: Covers, among other things, health and welfare, housing allowance, automobile, tax equalization, security, and home leave.	
		Deputy CEO: Agreement unchanged: Covers health and welfare, housing allowance, automobile, tax consultation and life insurance.	

1 When establishing the Threshold, Target and Maximum goals for the Short-Term and Long-Term Incentive goals, scenario analysis was conducted whereby the potential achievement of these various goals and their alignment to our strategic financial goals assisted in determining that the final goals were appropriate.

2 Additional severance detail under the Severance Payments and Termination Provisions section below



The Remuneration for the Executive Directors in 2023

CEO Employment Agreement

As discussed in the 2022 remuneration report, the Legacy Agreement reflected the arrangements contractually agreed with Sir Lucian Grainge prior to his appointment to the Board. Such legacy arrangements did not always align with the Executive Directors' Remuneration Policy but were allowed as the Executive Directors' Remuneration Policy permits deviations in respect of legacy arrangements.

The aim of the Current Agreement is to better align Sir Lucian Grainge's remuneration package with the Executive Directors' Remuneration Policy, and with Shareholders' interests, including a change to a more performance-based and share-based remuneration package. When determining the remuneration package to be offered to Sir Lucian Grainge under the Current Agreement, the Board took into consideration its belief that retaining, securing and incentivizing Sir Lucian Grainge, who has a unique position of leadership in the music industry and has a longstanding relationship with, and knowledge of, UMG and its business, would be in the best interests of the Company and its stakeholders. The Board also took into consideration Sir Lucian Grainge's remuneration and other benefits under the Legacy Agreement, including what was payable if the Legacy Agreement was not renewed. Furthermore, the Board considered that the remuneration offered to Sir Lucian Grainge should be competitive compared to CEOs of other companies in the fields of media, entertainment and tech, which are largely headquartered in the U.S. and therefore examined the compensation practices of the following companies as part of its due diligence:

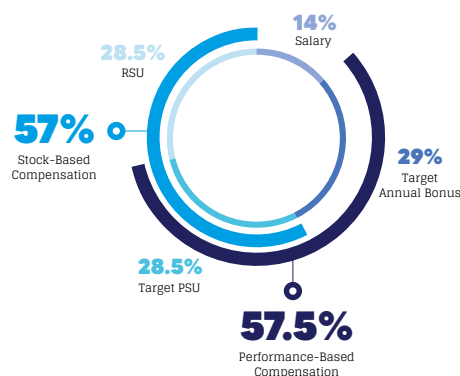
Activision Blizzard, Inc.	Altice USA, Inc.	Discovery, Inc.
DISH Network Corporation	Electronic Arts Inc.	Fox Corporation
Live Nation Entertainment, Inc.	Netflix, Inc.	News Corporation
Sirius XM Holdings Inc.	Warner Music Group Corp.	

These considerations, along with discussions with Sir Lucian Grainge, led to the Current Agreement with a remuneration package as set out in this remuneration report. As certain elements of the Current Agreement relating to termination and severance benefits continued to deviate from the then applicable Executive Directors' Remuneration Policy, the Board, at the recommendation of the Remuneration Committee, proposed that Shareholders be given an opportunity to approve a supplement to the Executive Directors' Remuneration Policy. The supplement, upon approval, would ensure that the Current Agreement would fall within the scope of the Executive Directors' Remuneration Policy. The General Meeting on May 11, 2023 approved the supplement to the Executive Directors' Remuneration Policy in respect of Sir Lucian Grainge.

As discussed above and in further detail below, the Current Agreement results in Sir Lucian Grainge having a significant portion of his remuneration be performance-based (i.e., subject to the achievement of annually pre-established objectives) and share-based (i.e., aligned with Shareholders' interests generally) as follows:



CEO ANNUAL TARGET PAY



Deputy CEO Employment Agreement

The remuneration of Vincent Vallejo for 2023 continues to reflect the legacy arrangements contractually agreed with him prior to his appointment to the Board under his management services agreement.

Key Remuneration Elements and Approach to Remuneration for 2023

The following is a discussion of the key remuneration elements of 2023 for each of the Executive Directors.

Base Salary

Base salary provides competitive fixed cash compensation reflective of the Executive Director's skills, experience, scope of responsibilities and the external market. The following sets out the 2023 base salary for each Executive Director, as well as the relative changes to the 2022 base salary:

Executive Director	Actual 2022	Actual 2023 ¹	% Change
Sir Lucian Grainge	€15,412,990	€7,511,849	-51.3%
Vincent Vallejo	€960,000	€960,000	0.0%

¹ Reflects Sir Lucian Grainge base salary under the Legacy Agreement for the first three months of 2023 and his new base salary under the Current Agreement effective as of April 1, 2023

The decrease in the 2023 base salary for Sir Lucian Grainge reflects his transition from an all-cash remuneration package to an updated remuneration package with equity where a significant portion of his total remuneration package is performance-based and share-based.

Short-Term Incentive

In order to motivate the Executive Directors to achieve the annual business priorities for the relevant year and tie a portion of their annual remuneration to Company performance, each Executive Director is eligible for an annual short-term incentive bonus under their employment or management services agreements based on the achievement of certain financial growth objectives.



For 2023, the annual short-term incentive bonus target for each Executive Director was as follows:

Executive Director	Target Percentage of Base Salary	Target Amount
Sir Lucian Grainge	200.0%	€9,240,685
Vincent Vallejo	50.0%	€480,000

For 2023, Sir Lucian Grainge was measured on the following performance metrics and performance results:

Performance Metric	Weighting	Target (100% Payout ¹)	Maximum (150% Payout ¹)	Actual	Earned %
Revenue Growth	50%	7.2%	10.4%	13.3%	150.0%
Adjusted EBITDA Growth	50%	16.6%	22.4%	18.9%	119.9%
Total					134.9%

1 Payout percentage of target bonus amount

The target for each performance metric aligns with the Company's annual budget, as approved by the Board. The Board determined, as provided under Sir Lucian Grainge's Current Agreement, the threshold level of achievement required for any payout of the annual short-term incentive bonus at 90% of target, where achievement of the threshold level would result in a 50% payout. Achievement of less than the threshold level would result in a 0% payout. In addition, the Board determined the level of achievement required for maximum payout of the annual short-term incentive bonus. In accordance with Sir Lucian Grainge's Current Agreement, the maximum payout is €13,861,028, or 150% of target. Payout results for performance between threshold/target and target/maximum are linearly interpolated.

For 2023, Vincent Vallejo was measured on the following performance metrics and performance results:

Performance Metric	Weighting	Target (100% Payout ¹)	Maximum (200% Payout ¹)	Actual	Earned %
Revenue Growth	50%	7.2%	10.4%	13.3%	200.0%
Adjusted EBITDA Growth	50%	16.6%	22.4%	18.9%	139.6%
Total					169.8%

1 Payout percentage of target bonus amount



Sir Lucian Grainge's Legacy Agreement

For 2023, under the terms of the Legacy Agreement, Sir Lucian Grainge was entitled to receive an annual cash bonus in an amount equal to 1% of UMG's 2023 EBITA (the EBITA Bonus), which was eliminated under the terms of the Current Agreement. In addition, Sir Lucian Grainge was also entitled to an annual contingent cash bonus in an amount equal to €10,790,913, subject to UMG meeting specific financial and non-financial performance measures (the Contingent Bonus). The Contingent Bonus was subject to meeting one of the following performance measures: UMG's year-over-year EBITA, market share of the U.S. recorded music market and success of UMG's exclusively signed artists on the Billboard 100 or 200 chart. Under the terms of the Current Agreement, the amount of the Contingent Bonus was €2,697,728.

Long-Term Incentive

As discussed in further detail below, in 2023, Sir Lucian Grainge received an Annual Award, a One-Time Transition Award, and a one-time RSU award for the lost value of Vivendi equity awards in connection with the Listing (a **Special One-Time Award**). In 2023, Vincent Vallejo received a Special One-Time Award.

Annual Award

Under the terms of the Current Agreement, Sir Lucian Grainge is entitled to an annual grant of RSUs and PSUs with an aggregate equity value of €18,481,370, with no more than 50% of the grant being in the form of PSUs. The RSUs are time-based and vest ratably over 3 years. The PSUs are performance-based where payout depends on the level of achievement of performance metrics that are determined by the Board. The target for each performance metric will be no less favorable than the Company's annual budget, as approved by the Board. The maximum payout of the PSUs is 200% of target and the minimum payout for the threshold level of achievement will be no less favorable than 50% payout for 90% achievement of the target performance levels. Performance at less than 90% of target will result in a 0% payout under the PSUs.

In 2023, Sir Lucian received the following:

Type	Grant size	Performance metrics and vesting requirements
RSU	€9,240,685	Requires continued services; vests ratably over 3 years
PSU	€9,240,685 ¹	Requires continued services; vests 100% after 3 years
		Metrics
		<ul style="list-style-type: none">• 50.0% to vest based on 3-year Adjusted EBITDA CAGR target• 25.0% to vest based on 3-year Revenue CAGR target• 25.0% to vest based on 3-year Relative TSR (Total Shareholder Return) target

¹ Reflects the economic value of the underlying award as opposed to the accounting value under IFRS2

With respect to the PSUs, the Board selected these performance metrics, which represent key performance indicators used by the Company, to provide a foundation for long-term growth and promote long-term value creation.



The targets for Revenue CAGR and Adjusted EBITDA CAGR are not disclosed as doing so could create competitive harm. The Relative TSR targets measure the Company's share price performance against the S&P 500 Media & Entertainment Index and are as follows:

Metric	Threshold (50% payout)	Target (100% payout)	Maximum (200% payout)
Relative TSR	25th percentile	50th percentile	75th percentile

One-Time Transition Award

Under the terms of the Current Agreement, in order to transition Sir Lucian Grainge from an all-cash remuneration package to a combination of cash and equity, with a significant portion of such equity performance-based, Sir Lucian Grainge is entitled to a one-time €92,406,852 equity grant (the **One-Time Transition Award**), as follows:

Type	Grant size	Performance metrics and vesting requirements
RSU	€46,203,426	Requires continued services; vests ratably over 5 years
PSO	€46,203,426	Requires continued services; vests ratably over 4 years and become exercisable ¹ if the Company achieves the following share price hurdles: <ul style="list-style-type: none"> • 1/3rd of vested PSOs at €26.50² • 1/3rd of vested PSOs at €30.00² • 1/3rd of vested PSOs at €38.00²

¹ Strike price is as of the closing stock price on April 30, 2023

² Based on a 30-day average closing share price and must be achieved within the term of the Current Agreement ending May 1, 2028

Special One-Time Awards

Prior to the Listing, Vivendi granted Sir Lucian Grainge and Vincent Vallejo equity awards in the form of performance shares payable in Vivendi stock. These Vivendi equity awards were not adjusted to offset the impact of the spin-off in connection with the Listing, and the value of these Vivendi equity awards significantly decreased as a result. To make Sir Lucian Grainge and Vincent Vallejo whole and compensate them for the loss of value of these Vivendi equity awards, upon recommendation of the Remuneration Committee, the Board granted the following to each Executive Director:



Executive Director	Number of RSUs	Vesting requirements
Sir Lucian Grainge	30,000	Requires continued services; vests in 1 year from grant
	30,000	
	40,000	
Vincent Vallejo	7,500	Requires continued services; vests in 1 year from grant

Malus and Claw-back

In 2023, no application of claw-back was applied on any kind of variable payments for the Executive Directors.

Severance Payments and Termination Provisions

In 2023, no severance payments were made to the Executive Directors.

Sir Lucian Grainge

Sir Lucian Grainge is entitled to the following severance benefits under his Current Agreement in case Universal Music Group, Inc. (**UMG, Inc.**) terminates Sir Lucian Grainge's employment without 'Cause', Sir Lucian Grainge terminates his employment for 'Good Reason', or in case of 'Non-Renewal' of Sir Lucian Grainge's Current Agreement (as defined below):

1. 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.
2. 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 €9,240,685 target annual bonus for the year in which Sir Lucian Grainge's termination of employment occurs plus two years of the €9,240,685 target annual bonus.
3. a lump-sum cash amount equal to the amount that UMG, Inc. would have paid during the 2 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.
4. 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 2 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 2 years from the date of termination and such vested portion of applicable performance-based equity awards to be settled at target.

'Good Reason' includes:

1. removal of Sir Lucian Grainge from his position as an Executive Director 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.



2. the requirement for Sir Lucian Grainge to report to anyone with materially less authority, duties or responsibilities;
3. 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.
4. a reduction in Sir Lucian Grainge's base salary or target 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.
5. the requirement that Sir Lucian Grainge's principal place of employment be located other than at the principal offices of UMG, Inc. located in Los Angeles, California, provided that such change in location 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.
6. a material breach by UMG, Inc. of the Current Agreement (whether or not otherwise set forth in clauses (1) – (5) above).
7. a 'Change in Control'.

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

'Cause' has a commonly used meaning.

'Non-Renewal' means the expiration of the Current Agreement, with UMG, Inc. not having made an offer of employment on terms at least as favorable as the terms set forth in the Current Agreement at least 90 days before the expiration date of the Current Agreement.

In addition, Sir Lucian Grainge cannot compete against UMG for 24 months following any termination of employment (whether by UMG or by Sir Lucian Grainge) and following expiration of the term of his Current Agreement. In cases where Sir Lucian Grainge is entitled thereto, the severance payment is also considered consideration for the non-competition.

Vincent Vallejo

Vincent Vallejo's management services agreement converted into an indefinite-term agreement on October 1, 2023. His management services agreement does not provide for a severance payment, but he is eligible for severance under Dutch law.



Total Remuneration¹

Total remuneration of the Executive Directors is presented in the table below. For Sir Lucian Grainge, the increase in remuneration year-over-year is primarily driven by the transition to a more performance-based and share-based remuneration package. The equity remuneration in the table below reflects the grant value of awards.

Name	Reported year	Fixed remuneration	Variable remuneration			Benefits and one-off amounts			Total remuneration ¹	Proportion fixed – variable remuneration
		Base Salary	Short-Term Incentive	Long-Term Incentive	One-Time Transition Award	Retirement Benefits	Other Benefits	Other Payments		
Sir Lucian Grainge,	2023	€7,511,849	€15,163,413	€18,481,370 ⁴	€92,406,852 ^{4,5}	€295,702	€2,973,670	€1,981,000 ⁶	€138,813,856	8% / 92%
Chairman and CEO ^{2,3}	2022	€15,412,990	€28,768,466	€0		€302,410	€2,807,202	€0	€47,291,068	39% / 61%
	2021	€13,192,829	€24,673,885	€0		€0 ⁷	€2,994,992	€0	€40,861,707	40% / 60%
Vincent Vallejo,	2023	€960,000	€815,040	€0		€41,053	€57,596	€948,575 ⁸	€2,822,264	38% / 62%
Deputy CEO	2022	€960,000	€570,929	€0		€41,053	€83,739	€968,750 ⁸	€2,624,471	41% / 59%
	2021	€720,000	€602,859	€0		€0 ⁷	€62,838 ⁹	€800,000 ⁸	€2,185,698	36% / 64%

1 Sir Lucian Grainge and Vincent Vallejo participated in Vivendi share schemes prior to the Listing that are not included. Reference is made to pages 131 to 133 of the Company's prospectus dated September 14, 2021, which is available on the investor relations part of the UMG website (the Prospectus) for further details.

2 For 2023, Sir Lucian Grainge's remuneration has been converted from US dollars into euros using a monthly average FX rate of 0.924.

3 In addition, other payments were made by Vivendi to Sir Lucian Grainge in 2021 in connection with but not limited to the Listing. Reference is made to pages 129 and 131 of the Prospectus that outline the following payments: €17,530,000 for the Tencent-led Consortium acquiring an additional 10% of the Shares, €20,909,789 for the Pershing Entities acquiring their 10% interest in the Company and €194,982,887 for the Listing.

4 Sir Lucian Grainge's Long-Term Incentive and One-Time Transition Award reflect the grant value as of the grant date (April 30, 2023 at a grant price of €19.81). As of December 31, 2023, Sir Lucian Grainge has not versted any of his awards.

5 The One-Time Transition Award will not be applicable in subsequent years. As of December 31, 2023, Sir Lucian Grainge has not vested any of his awards and has not achieved any of the stock price hurdles associated with his PSOs.

6 Special One-Time Award amount reflects the number of units granted on April 30, 2023 at €19.81 per share.

7 For 2021, Retirement Benefits were included as part of Other Benefits. For 2022 and 2023, Retirement Benefits were separated into their own column. For 2021, Sir Lucian Grainge's Retirement Benefits amount was €268,686, included in the 2021 Other Benefits amount of €2,994,992. For 2021, Vincent Vallejo's Retirement Benefits amount was €25,243, of which €9,900 was included in the 2021 Other Benefits amount of €62,838 and €15,343 of 2021 Retirement Benefits was excluded.

8 Amounts reflect the recognition awards paid in 2021 and 2022 in connection with the Listing and a cash retention payment paid in 2023. In addition, for 2022, amounts reflect the value of the Special One-Time Award which was granted on November 30, 2022 at €22.50 per share and for 2023, the value of the Special One-Time Award which was granted on April 30, 2023 at €19.81 per share.

9 For 2021, Other Benefits excluded €6,750 for company car related expenses.

¹ The Remuneration Table includes information and figures that are audited as part of [Note 24](#) of the Annual Consolidated Financial Statements and [Note 11](#) of the Company Financial Statements



Share-Based Remuneration

Total share-based remuneration of the Executive Directors in 2023 is presented in the table below:

Name of Director, position	The main conditions of share award plans						Expire Date	StrikePrice	Information regarding reported financial year						
	Specification of plan	Award type	Performance period	Award date	Vesting date	End of holding period¹			Opening balance	During the year			Closing Balance		
										Units awarded at the beginning of the year	Units awarded	Dividend Equivalents Added	Units vested	Units subject to a performance condition	Units awarded and unvested as of year end
Sir Lucian Grainge, Chairman and CEO	2022 UMG Global Equity Plan	RSU	N/A	4/30/2023	4/30/2024²	N/A	N/A	N/A	0	30,000	738	0	0	30,738	N/A
		RSU	N/A	4/30/2023	4/30/2024³	N/A	N/A	N/A	0	30,000	738	0	0	30,738	N/A
		RSU	N/A	4/30/2023	4/30/2024²	N/A	N/A	N/A	0	40,000	984	0	0	40,984	N/A
		RSU	N/A	4/30/2023	4/30/2026³	N/A	N/A	N/A	0	459,700	11,314	0	0	471,014	N/A
		PSU	1/1/2023 - 12/31/2025	4/30/2023	4/30/2026⁴	N/A	N/A	N/A	0	459,700	11,314	0	471,014	471,014	N/A
		RSU	N/A	4/30/2023	4/30/2028⁵	N/A	N/A	N/A	0	2,298,496	56,569	0	0	2,355,065	N/A
		PSO	N/A	4/30/2023	4/30/2027⁶	N/A	4/30/2033	€19.81	0	8,624,917	0	0	8,624,917	8,624,917	N/A
Vincent Vallejo, Deputy CEO	2022 UMG Global Equity Plan	RSU	N/A	11/30/2022	11/30/2023²	N/A	N/A	N/A	7,500	0	185	7,685	0	0	N/A
		RSU	N/A	4/30/2023	4/30/2024²	N/A	N/A	N/A	0	7,500	185	0	0	7,685	N/A

1 As noted in the Corporate Governance section under 'Compliance with the Code', Shares, once vested, are not subject to a holding period.

2 Special One-Time Award

3 RSUs awarded as part of Sir Lucian Grainge's 2023 Annual Award, vesting 1/3 annually

4 PSUs awarded as part of Sir Lucian Grainge's 2023 Annual Award which vest 100% after 3 years if performance metrics are met

5 50% of the One-Time Transition Award, which vests 1/5 annually

6 50% of the One-Time Transition Award, which vests 1/4 annually and are only exercisable if the following share price hurdles are met: 1/3 at €26.50, 1/3 at €30.00, and 1/3 at €38.00



Remuneration and Company Performance Development

The overview below provides insight into the development of the remuneration of the Executive Directors, Company performance and employee pay as of the Listing in 2021. For Sir Lucian Grainge, the year-over year increase in total remuneration from 2022 to 2023 was primarily driven by the One-Time Transition Award. As noted above, the One-Time Transition Award consists of €46,203,426 of RSUs, which vest ratably over 5 years and €46,203,426 of PSOs, which vest ratably over 4 years and which become exercisable only after the passage of time and achieving the aforementioned share price hurdles.

Element	2021	2022	2023 ¹
Remuneration			
Chairman and CEO	€40,861,707	€47,291,068	€64,274,250
<i>Annual change</i>	<i>Not applicable</i>	<i>16%</i>	<i>36%</i>
Deputy CEO ²	€2,630,851	€2,624,471	€2,686,990
<i>Annual Change</i>	<i>Not applicable</i>	<i>0%</i>	<i>2%</i>
Company performance			
Adjusted EBITDA (in millions of euros)	€1,788	€2,135	€2,369
<i>Annual Change</i>	<i>Not applicable</i>	<i>19%</i>	<i>11%</i>
Average annual remuneration on an FTE basis of employees			
Average annual ³	€131,961	€142,039	€180,684
<i>Annual Change</i>	<i>Not applicable</i>	<i>8%</i>	<i>27%</i>
Internal Pay Ratio	310	333	356
<i>Annual Change</i>		<i>8%</i>	<i>7%</i>

1 Equity remuneration is based on the annual total remuneration as reported in the Consolidated Financial Statements included in the Annual Report in accordance with IFRS. In contrast, the Total Remuneration Table reflects 2023 equity awards at grant value.

2 In the table above, the Deputy CEO was employed by UMG effective April 2021. Accordingly, the remuneration for 2021 has been updated and annualized from €2,185,698 to €2,630,851 for year-over-year comparison purposes.

3 Reflects the total personnel costs reported in [Note 4](#), adjusted to be aptly comparable with the remuneration of Executive Directors disclosed above.



The Remuneration for the Non-Executive Directors in 2023

The remuneration structure for Non-Executive Directors has been designed to ensure that UMG attracts, motivates and retains highly qualified Non-Executive Directors, while aligning with the Non-Executive Directors Remuneration Policy. In order to ensure that the Remuneration Policy is aligned with the Company's identity, mission and core values, it is built on the following principles:

- The program is simple and transparent.
- Non-Executive Directors should be compensated competitively against market, considering the level of work required for a company that is similar in size, scope, and complexity to UMG.
- Non-Executive Directors' remuneration is differentiated, as appropriate, for differing Board committee responsibilities and time commitments.
- In order to ensure independent supervision, remuneration of Non-Executive Directors is fixed and not dependent on the Company's financial results.

In 2023, the Non-Executive Directors' remuneration for serving on the Board and Board committees was as follows:

- €90,000 per annum for performing their role as a Non-Executive Director
- €50,000 per annum for performing the role of Chair of the Board
- €20,000 per annum for performing their role as a member of a Board committee
- €10,000 per annum for performing the role of chair of a Board committee

Total Remuneration

Total remuneration of the Non-Executive Directors paid in 2023 is presented in the table below:

	Commencement Date	Board ¹	Audit Committee ¹	Remuneration Committee ¹	Nomination Committee ¹	2023 Remuneration (in euros)
A.R.J.C. Fiévet	9/20/2021	Member	Member	Chair		115,589
A.K. Jones ²	9/20/2021					105,000
C.F.L. Lawson-Hall	9/20/2021	Member	Member			110,000
C.M.C. Bolloré	5/12/2022	Member		Member		110,000
H. Saban	5/11/2023	Member				62,691
J.G. Mitchell ³	9/20/2021	Member		Member		0
J.S.J. Craymer ⁴	9/20/2021					4,500
L.A.J. Van Os	9/20/2021	Member	Chair			120,000
M. Frerejean-Taittinger	9/20/2021	Member	Member		Chair	140,000
M.L. Doherty ³	9/20/2021	Member			Member	0
N.A. Avant	5/12/2022	Member			Member	110,000
S.L. Lansing	5/12/2022	Chair		Member	Member	175,417
W.A. Ackman ³	5/12/2022	Member			Member	0

¹ Composition of the Board and Board committees as of December 31, 2023.

² Anna Jones resigned from the Board effective September 30, 2023.

³ Voluntarily elected to not receive any Non-Executive Director remuneration in 2023.

⁴ Judy Cramer resigned from the Board effective January 10, 2023



Remuneration Development	2023/2022 ¹	2022 vs. 2021 ¹
A.R.J.C. Fiévet	5%	0%
A.K. Jones ²	-25%	0%
C.F.L. Lawson-Hall	-8%	0%
C.M.C. Bolloré	0%	N/A
H. Saban	N/A	N/A
J.G. Mitchell ³	N/A	N/A
J.S.J. Craymer ⁴	-98%	0%
L.A.J. Van Os	-8%	0%
M. Frerejean-Taittinger	0%	0%
M.L. Doherty ⁴	N/A	0%
N.A. Avant	0%	N/A
S.L. Lansing	59%	N/A
W.A. Ackman ⁵	N/A	N/A

1 2022 and 2021 remuneration amounts have been annualized for purposes of calculating the year-over-year change

2 Anna Jones resigned from the Board effective September 30, 2023.

3 Voluntarily elected to not receive any Non-Executive Director remuneration in 2023

4 Judy Cramer resigned from the Board effective January 10, 2023

The Non-Executive Directors' remuneration is fixed and not dependent on the Company's financial results. Non-Executive Directors are also entitled to reimbursement of reasonable expenses incurred in connection with the performance of their duties for the Company. The Non-Executive Directors are not entitled to receive any compensation on termination of their appointment and are not entitled to participate in the Company's bonus or pension schemes.

Other items

2022 Remuneration Report and Supplement to Remuneration Policy Shareholders' Voting Results

Last year, 58.96% of the Shareholders supported the 2022 remuneration report and 59.03% approved the supplement to the Company's existing Executive Directors Remuneration Policy in respect of Sir Lucian Grainge. After the annual General Meeting held on May 11, 2023, UMG engaged with Shareholders to understand their perspective on the 2022 remuneration report and solicit overall feedback about the Executive Director pay design and practices. Feedback was gathered and reviewed within the context that there were legacy arrangements with each Executive Director in place from prior to their appointment to the Board. Shareholders expressed their desire to see Sir Lucian Grainge signed to a new long-term agreement, and to better align Sir Lucian Grainge's financial interests with that of Shareholders by including equity as a meaningful component of the new agreement. Shareholders also requested that more information be provided on the peer group used to structure the Current Agreement, as well as increased disclosure on the performance metrics used to award both short-term and long-term incentives. UMG believes the Current Agreement reached with Sir Lucian Grainge, as well as this remuneration report, reflect the feedback received from Shareholders.



Deviation from Executive Directors' Remuneration Policy

In 2023, the Board temporarily deviated from the Executive Directors' Remuneration Policy to enter into Sir Lucian Grainge's Current Agreement which contained certain elements that were outside the scope of the then applicable Executive Directors' Remuneration Policy. The temporary deviations from the Executive Directors' Remuneration Policy related to Sir Lucian Grainge's termination and severance benefits under the Current Agreement, which are also described in this remuneration report. Entering into the Current Agreement and thus deviating from the Executive Directors' Remuneration Policy allowed UMG to retain and secure Sir Lucian Grainge as UMG's Chairman and CEO.

The Board considered retaining and securing Sir Lucian Grainge as UMG's Chairman and CEO to be in the best interest of UMG and its stakeholders, as also explained in the explanatory notes to the agenda for the annual General Meeting held on May 11, 2023.¹

For these reasons, retaining and securing Sir Lucian Grainge as UMG's Chairman and CEO was deemed such an exceptional circumstance that deviating from the Executive Directors' Remuneration Policy was deemed necessary to serve UMG's long-term interests and sustainability.

As deviations from the Executive Directors' Remuneration Policy may only be temporary in nature, the Board, at the recommendation of the Remuneration Committee, proposed to seek approval from the General Meeting for a supplement to the Executive Directors' Remuneration Policy at the annual General Meeting held on May 11, 2023. As described in detail in the explanatory notes to the agenda for the annual General Meeting held on May 11, 2023, the supplement to the Executive Directors' Remuneration Policy includes those elements of the Current Agreement that deviated from the Executive Directors' Remuneration Policy so that the remuneration and benefits awarded to Sir Lucian Grainge under the Current Agreement would fall within the scope of the Executive Directors' Remuneration Policy upon approval of the supplement by the General Meeting. The supplement to the Executive Directors' Remuneration Policy was adopted at the annual General Meeting held on May 11, 2023.¹

¹ [UMGNV_2023_AGM_Agenda](#)

