



UNIVERSAL MUSIC GROUP

UNIVERSAL MUSIC GROUP N.V.

BOARD DIVERSITY POLICY

1. Purpose

Pursuant to best practice provision 2.1.5 of the Dutch Corporate Governance Code, Universal Music Group N.V. (*UMG* or the *Company*) has adopted this Board Diversity Policy (the *Policy*), which sets out UMG's approach to diversity on the board of directors of the Company (the *Board*).

2. Scope of Application

The Policy applies to the Board. It does not apply to diversity in relation to (other) employees of the Company and its subsidiaries which is dealt with in the code of conduct of the Company.

3. Policy Statement

The Board acknowledges the benefits of greater diversity, including gender diversity and ethnic diversity and remains committed to ensuring that the Company's directors bring a wide range of skills, knowledge, experience, background and perspectives. All appointments will be made on merit against objective criteria, in the context of the overall balance of skills and backgrounds that the Board needs to maintain in order to remain effective.

4. Targets and objectives

4.1. The Board is committed to promoting diversity and inclusion in the boardroom, ensuring all are able to contribute to Board discussions, and aim to meet industry targets and recommendations wherever possible. This includes the following objectives:

- a) gender diversity such that at least one third of the Board jointly consists of women and at least one third of the Board jointly consists of men;
- b) increasing the nationality, ethnicity and age diversity as well as creating and maintaining a variation in education and experience within the Board.

4.2. The Board is also committed to:

- a) ensuring that the Board are comprised of a good balance of skills, experience, knowledge, perspective and varied backgrounds;
- b) considering candidates for non-executive director appointments from a wide pool, including those with no listed company board level experience; and
- c) reporting annually on the diversity of the Board.

4.3. Progress towards these targets will be reported in the UMG board report with a description of this Policy.



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5. Nomination Committee responsibilities

5.1. Review of Board Composition

The Company's nomination committee (the *Nomination Committee*) supports the Board in applying this Policy by reviewing the Board's effectiveness and composition each year and, in particular, considering the balance of skills, experience and independence of the Board ahead of making recommendations to the Board for any proposed changes. It also considers the benefits of all aspects of diversity, but without compromise as to the calibre of directors, when identifying candidates for appointment. The Board and Nomination Committee will adhere to this Policy when reviewing existing Board compositions and whilst recruiting to the Board.

5.2. Recruitment Process

The Nomination Committee will:

- a) only engage reputable executive search firms who comply with appropriate best practices;
- b) liaise with the search firm to produce a brief that includes an appropriate emphasis on diversity of skills and background, independence of approach and other personal qualities in addition to career experience and compatibility with the values and behaviours of existing board members and executive managers, with a view to enhancing the overall effectiveness of the Board;
- c) encourage the search firm to produce lists which are inclusive according to the widest definition of diversity; and
- d) consider high-performing diverse senior executives who may not have previous board experience in executive and non-executive directorship roles.

5.3. Succession Planning

The Nomination Committee is responsible for formulating succession plans for directors, in respect of which the Nomination Committee will draw up a retirement schedule as referred to in best practice provision 2.2.4 of the Dutch Corporate Governance Code, with a view of getting towards a staggered replacement of non-executive directors in the mid-to-long term future. Furthermore, towards the end of the fixed term of each director, the Nomination Committee considers whether to recommend to the Board the re-appointment of the director concerned.

In carrying out these responsibilities, the Nomination Committee shall have regard to this Policy and the composition and skills requirements of the Board at that time.

5.4. Monitoring and reporting

The Nomination Committee will report annually, in the corporate governance section of the Company's board report, on the process it has used in relation to Board appointments. Furthermore, the report shall state the objectives of the Policy, as well as the manner in which the Policy has



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been implemented and the results thereof in the past financial year. If the composition of the Board diverges from the targets and objectives stipulated in this Policy and/or the target for the male/female ratio, if and to the extent that this is determined by or pursuant to the law, the current state of affairs shall also be outlined in the report, along with an explanation as to which measures are being taken to attain the intended target, and by when this is likely to be achieved.

6. The Chairman of the Board's/the Board's responsibilities

6.1. Board evaluation

The chairman of the Board (the *Chairman of the Board*) will ensure that boardroom diversity is considered as part of the annual evaluation of the Board's effectiveness.

6.2. Development and mentoring

The Board will ensure that a bespoke and comprehensive induction programme is provided to each new director which aims to address any gaps in a new director's knowledge. The Chairman of the Board will take on an ongoing mentoring role for new directors of the Board.

7. Review of the Policy

7.1. The Board and Nomination Committee shall review this Policy annually. This review will include an assessment of the effectiveness of the Policy and recommend any revisions to the Board for approval.

7.2. This Policy enters into effect on September 21, 2021.
