



UNIVERSAL MUSIC GROUP

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF UNIVERSAL MUSIC GROUP N.V.

Minutes of the annual general meeting of shareholders (the **General Meeting**) of Universal Music Group N.V. (the **Company** or **UMG**) held on Thursday, May 11, 2023 at 2:00 p.m. CEST at Hotel Okura Amsterdam, Ferdinand Bolstraat 333, 1072 LH Amsterdam, the Netherlands.

The General Meeting was chaired by Ms. Sherry Lansing, Chairman of the Board of Directors of the Company (the **Board**) (the **Chairman**).

1. Opening

The Chairman opened the General Meeting and welcomed all attendees. She explained that, with the exception of Mr. Cyrille Bolloré, one of the Non-Executive Directors, all Executive and Non-Executive Directors, including Sir Lucian Grainge, the Chairman and Chief Executive Officer, were present, most of them in person, and three of them via Zoom. The Chairman further explained that certain members of the Company's corporate executive team were also present in person, including Mr. Boyd Muir, EVP, Chief Financial Officer and President of Operations, and Mr. Jeffrey Harleston, EVP, General Counsel and Company Secretary, who would also act as secretary of the General Meeting. Mr. Haim Saban, a nominee Non-Executive Director, attended the General Meeting via Zoom. Also present in person were Mr. Dirk-Jan Smit, civil law notary at Freshfields Bruckhaus Deringer in Amsterdam, as well as Mr. Jean-Louis Geutjes, audit partner at Ernst & Young Accountants (**EY**), and Mr. Chris Nanne, audit partner at Deloitte Accountants (**Deloitte**), who would together discuss their auditors' reports and the work carried out by them. In order for them to be able to do so, the Chairman confirmed that (i) the Company had cancelled the obligation of the auditors to observe confidentiality for the purpose of the General Meeting, (ii) the auditors are required to correct any materially incorrect statements and/or announcements in relation to the financial statements 2022 during the General Meeting and/or before the draft minutes are published on the Company's corporate website, and (iii) the auditors will only discuss the audit process and procedures in relation to the financial statements 2022.

The Chairman explained that the General Meeting was convened by means of the publication of a convocation notice on the Company's corporate website on March 30, 2023. She explained that only shareholders attending the General Meeting in person were able to exercise their voting rights in real time and ask live questions. Other shareholders had been given the opportunity to exercise their voting rights by proxy and submit questions in advance of the General Meeting. However, no such questions were received.

The Chairman confirmed that at the record date, being April 13, 2023, i.e., the 28th day before the day of the General Meeting, the Company had an issued share capital of 1,820,723,488 shares and that of those shares 1,820,509,253 shares carried voting rights. The Chairman then handed over to Mr. Harleston who confirmed that 1,603,191,808 shares were represented at the General Meeting, either in person or by proxy, which meant that approximately 88.06% of the issued share capital of the Company was represented at the General Meeting and that all voting items could be adopted or approved with a simple majority of the votes cast.

After addressing certain further administrative matters, the Chairman moved on to agenda item 2 and gave the floor to Sir Lucian and Mr. Muir.

2. Discussion of the annual report 2022

Sir Lucian started off by noting that UMG's 2022 financial results had been very positive – with a total revenue growth of 13.6% at constant currency, an adjusted EBITDA growth of 11.7% at constant currency and a free cash flow growth of 70.2% –, following which he highlighted some of UMG's (musical) accomplishments of 2022, not only in the U.S. – which is the world's biggest music market – but also in other markets around the world.

Sir Lucian then noted that 2022 had been another year of impressive subscriber growth and that it is the expectation that such growth will continue in 2023 and beyond. He further noted that UMG continues to see growth opportunities both within the most developed music markets, which currently still provide for the majority of the global subscriber base, and outside of those markets, for example in Latin America, Southeast Asia and China.

Sir Lucian explained that what has been critical to UMG's success is its ability to embrace new technology as well as its expertise and experience in using the latest advances in such new technology, which have allowed UMG to remain at the forefront of developing new business models, further diversifying its revenue streams and creating new ways for its artists to engage with, broaden and further monetize their fan bases. Sir Lucian then explained that lately, artificial intelligence or AI has been dominating the headlines, which, when properly developed and deployed, can be a powerful tool for UMG's future. He continued that UMG already regularly employs AI, for example to convert albums originally recorded in mono into immersive audio remixes, to identify new audiences for its artists, to optimize the production, mixing and mastering of recordings and to enhance the quality of music experiences, all in the service of its artists and not at their expense.

Sir Lucian continued that UMG's success is not limited solely to the marketplace but also expands to the commitments it makes to the communities in which it serves and gave a number of examples of commitments so made, such as serving meals around the world, building community gardens throughout the U.S., Europe and Australasia, working on vital education campaigns (in collaboration with Mental Health Coalition) and assisting hundreds of artists in saving millions of dollars in healthcare costs (in partnership with Music Health Alliance) in the U.S.

Sir Lucian ended his part of the presentation by outlining UMG's key strategic priorities for the months and years ahead: (i) further strengthening UMG's core business, including by continuing to redefine the streaming model to one that creates greater value for artists, fans, music companies and platforms, (ii) further expanding UMG's core business across high growth geographies as well as platforms, including by continuing to build partnerships in fast-growing channels, such as socials and gaming, and (iii) growing beyond UMG's core business by continuing to be at the forefront of technological platform shifts, such as AI, blockchain and Web3.

He then handed over to Mr. Muir for further details on the financials.

Mr. Muir explained that in 2022, total revenue grew 13.6% at constant currency, adjusted EBITDA grew by 11.7% at constant currency and adjusted EBITDA margin contracted to 20.6%, due primarily to revenue mix, with strong growth in Music Publishing and unusually strong growth in Merchandising as touring once again resumed after the pandemic, where margins are below those in Recorded Music. Adjusted EPS increased to EUR 0.80 per share, up from EUR 0.70 per share in 2021.



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He further explained that since 2019, UMG has been able to consistently grow total revenue and adjusted EBITDA, and adjusted EBITDA margin expanded 2.8%.

Mr. Muir then moved to UMG's individual business segments. He explained that in 2022, Recorded Music revenue grew 8.8% at constant currency, adjusted EBITDA grew 9.7% at constant currency and adjusted EBITDA margin expanded to 23.9%. The Recorded Music revenue growth was well distributed globally, with the strongest growth in Latin America and Asia. He then noted that Recorded Music subscription revenue grew 10% at constant currency as a result of the previously mentioned strong subscriber growth, streaming revenue grew 9.3% at constant currency as a result of the first half of 2022 exhibiting the double-digit growth dynamics that UMG sees ahead for advertising-based revenue, but the second half of 2022 reflecting the backdrop of the difficult advertising market, and physical revenue grew 4.1% at constant currency as a result of vinyl sales across the U.S. and Europe and CD sales in Japan.

Mr. Muir continued that in 2022, Music Publishing revenue grew 26.3% at constant currency – or 18.3% at constant currency when excluding the impact of a recent change in UMG's revenue recognition accounting policy –, primarily as a result of the continued organic growth in subscription and streaming but also because of the post-pandemic recovery in the areas of synchronization and performance. He then noted that Music Publishing adjusted EBITDA grew 25% at constant currency – or 18.3% at constant currency when excluding the impact of the change in UMG's revenue recognition accounting policy – and adjusted EBITDA margin – when excluding the impact of the change in UMG's revenue recognition accounting policy – was in line with 2021.

Mr. Muir then explained that in 2022, Merchandising revenue grew by 54.1% at constant currency as touring once again resumed after the pandemic, adjusted EBITDA grew 111.8% at constant currency and adjusted EBITDA margin expanded 1.4 percentage points to 5.8%.

Mr. Muir noted that in 2022, net cash provided by operating activities before income tax paid amounted to EUR 1,987 million, an increase of 42% year-over-year, and included net royalty advance payments of EUR 148 million, down from EUR 364 million in 2021 due to lower gross spend, the timing of artist deals and higher recoupment. He further noted that in 2022, UMG spent EUR 359 million on music catalogue acquisitions, down from EUR 388 million in 2021, the most significant acquisition in 2022 being the acquisition of Sting's catalogue, and confirmed that UMG continues to be incredibly selective when acquiring music catalogues. He then concluded that in 2022, free cash flow amounted to EUR 1,086 million.

He continued with the dividend policy and explained that UMG is proposing to distribute 50% of its net profits as dividend and that, accordingly there is a proposal on the agenda of the General Meeting for a total dividend of EUR 0.51 per share for 2022.

With respect to the balance sheet, Mr. Muir noted that at the end of 2022, net debt had declined to EUR 1.8 billion, which had resulted in a leverage ratio of 0.9 times adjusted EBITDA. He further noted that UMG's capital allocation policy remains reinvestment in its business, through the signing and developing of artists around the world and, where appropriate, through strategic M&A opportunities, including selective catalogue acquisition.

Mr. Muir then touched upon the implementation of the equity plan, which was approved by the shareholders at the annual general meeting of shareholders held on May 12, 2022 and is aimed at better aligning the interests of UMG's management with those of its shareholders. He explained that



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the implementation has resulted in a reduction of cash compensation now that a portion of cash compensation has been replaced by non-cash share-based compensation in the form of restricted stock units and performance stock units, of which the latter ones are tied to ambitious multi-year targets for revenue and adjusted EBITDA growth and a total shareholder return (TSR) metric. He further explained that while a normalized run rate will see UMG replacing about EUR 100 million of cash compensation with EUR 200 million of non-cash share-based compensation, 2023 and 2024 will have additional expenses related to the timing of the accounting recognition and/or the one-time transition awards that employees received in order to incentivize them to move to non-cash share-based compensation. In 2023, the non-cash share-based compensation will amount to EUR 630 million, of which EUR 442 million is one-time or timing related, partially offset by a reduction of cash compensation of EUR 60 to EUR 80 million. Finally, he confirmed that the awards (to be) granted comfortably fall within the 5% share pool that was approved by the shareholders and that is expected to last for at least a period of five years.

Mr. Muir ended his presentation with a brief update on the first quarter of 2023 and noted that total revenue grew by 9.3% at constant currency to almost EUR 2.5 billion, adjusted EBITDA grew by 13% at constant currency to EUR 522 million and adjusted EBITDA margin expanded by 0.6 percentage points to 21.3%.

He then handed back to the Chairman who consequently invited questions from shareholders.

Mr. Robert Manders, a representative of the Dutch Association of Investors (*Vereniging van Effectenbezitters*), wanted to know if and how UMG is addressing the impact of (generative) AI now that the quality of (generative) AI is rapidly improving and that it, as a result, may be able to produce better quality and more unique songs in the future.

In response thereto, Mr. Michael Nash, EVP, Chief Digital Officer, explained that AI, when ethically developed and deployed, can create extraordinary opportunities for UMG and its artists. He noted that UMG already employs AI in various different ways for purposes of innovation and advancement of its business, for example by implementing it throughout its studio system to support various aspects of the production process and by using music source separation to produce contemporary versions mixed in new audio formats of catalogue recordings. With respect to generative AI, the form of AI which has been the subject of discussion lately, he clarified that copyright law in most countries prohibits the unauthorized use of copyrighted material and that it is UMG's position that that prohibition includes the use of such material for purposes of training generative AI tools without a license. Accordingly, UMG expects to be fully involved in the conversation if and how copyrighted material can be employed for purposes of training generative AI tools. Mr. Nash further explained that there are also other protections for artists beyond the ones offered by copyright law, such as name- and likeness rights, rights associated with trademarks and rights associated with voice-impersonation that would work against the illegitimate hijacking of an artist brand. He finally confirmed that UMG is taking a strong position in defense of its artists and the concerns that they raise, while it is at the same time focused on developing opportunities.

Mr. Manders then wanted to know more about UMG's Recorded Music market share loss in the U.S. that he has read about in the media.

In response thereto, Mr. Muir commented that while market share deterioration is often pointed out in the media, UMG's market share in terms of frontline and catalogue repertoire has in fact



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stayed remarkably constant over the years, especially in the more developed markets, including in the U.S., and the same is found by the International Federation of the Phonographic Industry (IFPI).

Mr. Manders then remembered that at the annual general meeting of shareholders held on May 12, 2022, it was explained that investments in music catalogues typically have a lower rate of return and wondered whether the interest rates that have since risen have negatively impacted the valuation of music catalogues.

Mr. Muir explained that the music business has seen a lot of 'outside' investment in music catalogues over the past few years. He agreed that one would expect the valuation of music catalogues to come down as a result of the increased interest rates and as a result, to see less opportunities and less activity but indicated that that is not what seems to be happening in the market. He explained that there is still significant activity, which largely has to do with the deployment of funds that had already been raised.

As no further questions were raised, the Chairman moved on to agenda item 3.

3. Discussion of and advisory vote on the remuneration report 2022

The Chairman explained that the remuneration report 2022 was prepared in line with the legal disclosure requirements contained in those provisions of the Dutch Civil Code that implement the European Shareholders' Rights Directive and in the Dutch Corporate Governance Code. She further explained that in the remuneration report 2023, the Company will explain how the advisory vote of the shareholders at the General Meeting has been considered. She then invited questions from shareholders.

Mr. Manders took the floor and asked how UMG looks back on the shareholder advisory vote on the remuneration report 2021 at the annual general meeting of shareholders held on May 12, 2022 where, according to his math, nearly 90% of the minority shareholders gave a negative recommendation.

In response thereto, Ms. Anna Jones, Vice Chairman of the Board and Chairman of the Remuneration Committee of the Board (the **Remuneration Committee**), pointed out that the remuneration report 2022 still reflects Sir Lucian's legacy remuneration package, which was already in effect prior to the Company's listing and formation of the Board. She continued that the Board carefully designed Sir Lucian's new remuneration package and considered it to be in the interests of shareholders and reflective of concerns signaled by minority shareholders through their negative recommendation at the annual general meeting of shareholders held on May 12, 2022. Finally, she confirmed that Sir Lucian's new remuneration package will be reflected in the remuneration report 2023.

Mr. Manders then noted that he found the short-term incentive contingent cash bonus metrics and targets disclosed in the remuneration report 2022 quite vague, making it difficult for shareholders to assess the level of ambition and to determine if the bonus was well-deserved, and wondered if – going forward – such metrics and targets could be accompanied by more detail.

In response thereto, Ms. Jones explained that bonus metrics and targets related to Sir Lucian's new remuneration package will be reflected in the remuneration report 2023, and confirmed that it is the intention that the remuneration report 2023 includes more detail.



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As no further questions were raised, the Chairman proceeded with the advisory vote on the remuneration report 2022 and, with 940,538,473 votes in favor, 654,741,042 votes against and 7,912,293 abstentions, established that the remuneration report 2022 had received a positive recommendation. She then moved on to agenda item 4.

4. Discussion of and adoption of the financial statements 2022

The Chairman explained that the financial statements 2022 were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and the applicable provisions of the Dutch Civil Code, and that the auditors had issued an unqualified auditors' opinion on the financial statements 2022. She then handed over to Mr. Geutjes of EY and Mr. Nanne of Deloitte.

Mr. Nanne confirmed that EY and Deloitte had on March 30, 2023 issued an unqualified auditors' opinion on the financial statements 2022 based on a going concern assumption. About the scope of their audit, he explained that EY and Deloitte had mainly focused on group entities which were significant in size, complexity and/or risk, and included the involvement of component auditors, including in the U.S., U.K., France, Germany and Japan, as well as various specialists in the areas of information technology, tax, accounting, forensic, pensions and sustainability.

He then discussed various parts of their auditors' report, including the materiality threshold, which was set at EUR 75 million, and explained that misstatements amounting to EUR 3.75 million or more, which were identified during the audit procedures, had been reported on. He continued that one key audit matter had been identified, i.e., the valuation of royalty advances to artists and repertoire owners. The other two key audit matters that had formed part of their previous year auditors' report, i.e., the estimate associated with the Music Publishing and Recorded Music broadcast revenues that are collected through collecting societies and the first year joint audit, were no longer considered as such. He then handed over to Mr. Geutjes.

Mr. Geutjes explained that EY and Deloitte had reviewed all the various parts of the Board report, including the chapter on corporate governance and the Non-Executive Directors report, which all formed part of the annual report 2022, and that they were able to confirm that the Board report was prepared in accordance with the applicable provisions of part 9 of book 2 of the Dutch Civil Code, was consistent with the financial statements 2022 and did not contain material misstatements.

He further explained that the part of the Board report which was dedicated to non-financial information included several sustainability key performance indicators, three of which were the subject of a limited assurance engagement by EY's sustainability department, namely global turnover rate on permanent contracts, voluntary turnover rate on permanent contracts and greenhouse gas emissions.

Mr. Geutjes then moved on to the topic of fraud and compliance and explained that the primary responsibility for the prevention and detection of fraud lies with UMG's management and those having oversight and that the responsibility of the auditors is limited to making sure that there is reasonable assurance that the financial statements 2022 are free from material misstatements, caused by fraud or error or non-compliance with applicable laws and regulations. He briefly reflected upon the audit procedures performed and confirmed that based on those procedures, there was no



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indication of material fraud or error or non-compliance with applicable laws and regulations that impacted the financial statements 2022.

He then handed back to the Chairman who consequently invited questions from shareholders.

Mr. Manders took the floor and wanted to know why the valuation of music catalogues had not been identified as a key audit matter, while it is a significant line item on the balance sheet.

In response thereto, Mr. Nanne explained that when identifying key audit matters not only quantitative considerations play a role but also qualitative considerations and that based on both forms of consideration, the valuation of music catalogues was not identified as a key audit matter. Mr. Geutjes added that despite the increased interest rates, there still is a sufficient safety margin between the value of music catalogues on the balance sheet and their actual value in the marketplace but did not rule out that this could change in the future.

As no further questions were raised, the Chairman proceeded with the adoption of the financial statements 2022 and, with 1,600,303,175 votes in favor, 1,981,113 votes against and 907,520 abstentions, established that the financial statements 2022 had been adopted. She then moved on to agenda item 5a.

5. Dividend

a. Discussion of the dividend policy

The Chairman explained that, in accordance with the dividend policy, the Company intends to pay a dividend to all shareholders on a pro rata basis in two semi-annual installments in the aggregate amount of no less than 50% of the Company's net profits, subject to certain non-cash items and applicable law.

As no questions were raised, the Chairman moved on to agenda item 5b.

b. Adoption of the dividend proposal

The Chairman explained that in October 2022, the Company paid an interim dividend of EUR 0.24 per share and that it was now proposed that a final dividend of EUR 0.27 per share was adopted. If adopted, this would bring the Company's total dividend for the financial year 2022 to EUR 0.51 per share, which would represent a payout ratio relative to net profits, subject to certain non-cash items and applicable law, of 50%. She confirmed that, if adopted, the shares would trade ex-dividend as from May 15, 2023, the dividend record date would be on May 16, 2023, and payment of the final dividend would take place on June 6, 2023.

As no questions were raised, the Chairman proceeded with the adoption of the dividend proposal and, with 1,574,720,221 votes in favor, 27,956,735 votes against and 514,852 abstentions, established that the dividend proposal was adopted. She then moved on to agenda item 6a.

6. Discharge

a. Discharge of the Executive Directors



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The Chairman explained that it was proposed to discharge the Executive Directors who were in office during the financial year 2022 from liability for the performance of their duties, which discharge covers such matters as are apparent from the annual report 2022 or have otherwise been disclosed.

As no questions were raised, the Chairman proceeded with the vote on the discharge of the Executive Directors and, with 1,595,962,193 votes in favor, 5,524,897 votes against and 1,704,718 abstentions, established that the Executive Directors who were in office during the financial year 2022 had been discharged from liability. She then moved on to agenda item 6b.

b. Discharge of the Non-Executive Directors

The Chairman explained that it was proposed to discharge the former and current Non-Executive Directors who were in office during the financial year 2022 from liability for the performance of their duties, which discharge covers such matters as are apparent from the annual report 2022 or have otherwise been disclosed.

As no questions were raised, the Chairman proceeded with the vote on the discharge of the Non-Executive Directors and, with 1,561,030,785 votes in favor, 40,463,653 votes against and 1,697,370 abstentions, established that the former and current Non-Executive Directors who were in office during the financial year 2022 had been discharged from liability. She then moved on to agenda item 7a.

7. Executive Director

a. Re-appointment of Sir Lucian Grainge as Executive Director

The Chairman explained that the Board considers it in the interests of the Company and its stakeholders to retain Sir Lucian as UMG's Chairman and Chief Executive Officer because of his unique position in the music industry and his longstanding relationship with and knowledge of UMG. She continued that the Board considers Sir Lucian to be best equipped to lead UMG for the coming years as the Board is committed to converting UMG's business opportunities and maximizing UMG's long-term sustainable success and shareholder value, which only the right kind of Chief Executive Officer can help achieve.

The Chairman then indicated that as Sir Lucian's previous employment agreement was due to terminate at the end of 2023, the Remuneration Committee and Sir Lucian had discussed an extension and amendment of that agreement, which discussions resulted in an extended and amended employment agreement that entered into force on April 1, 2023 for a period of five years until May 1, 2028. She explained that as Sir Lucian was appointed as an Executive Director for a period until the end of the annual general meeting of shareholders to be held in 2024, the Board, at the recommendation of the Nomination Committee of the Board (the **Nomination Committee**), had made a non-binding nomination for the early re-appointment of Sir Lucian as an Executive Director for a period of five years until May 1, 2028, in order to align his term as an Executive Director with the term of his extended and amended employment agreement.

As no questions were raised, the Chairman proceeded with the vote on the re-appointment of Sir Lucian as Executive Director and, with 1,486,390,895 votes in favor, 102,726,333 votes against and 14,074,580 abstentions, established that Sir Lucian was re-appointed as Executive Director for a



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period of five years until May 1, 2028. She then moved on to agenda item 7b and handed over to Ms. Jones.

b. Approval of a supplement to the Company's existing Executive Directors Remuneration Policy in respect of Sir Lucian Grainge

Ms. Jones explained that under his previous employment agreement, Sir Lucian was primarily rewarded in the form of cash and that the aim of his amended and extended employment agreement is to better align his new remuneration package with the Company's Executive Directors Remuneration Policy and that it for that reason includes a performance-based equity component. She continued that when considering his new remuneration package, the Board had to take into consideration the level of remuneration and the other benefits under his previous employment agreement and to ensure that the new remuneration package be competitive compared to that of Chief Executive Officers of other companies in the fields of media and entertainment and technology, which are largely headquartered in the U.S. She noted that such considerations and the discussions with Sir Lucian have led to the amended and extended employment agreement, certain aspects of which still do not fully align with the Executive Directors Remuneration Policy: on the one hand, there are legacy arrangements that are derogations from, but may be respected under, the Executive Directors Remuneration Policy, and on the other hand, there are elements that are just derogations.

Ms. Jones reiterated that the Board considers it in the interests of the Company and its stakeholders to retain Sir Lucian as UMG's Chairman and Chief Executive Officer and to offer him the new remuneration package as included in the amended and extended employment agreement. The Board therefore proposes that the shareholders approve a supplement to the Executive Directors Remuneration Policy, so that the new remuneration package as included in the extended and amended employment agreement, to the extent that such package would fall within the limits of the supplement, but would otherwise not align with the Executive Directors Remuneration Policy, will fall within the scope of the Executive Directors Remuneration Policy upon approval of the supplement. Ms. Jones confirmed that the supplement will only apply to Sir Lucian and not to any other Executive Director. She further confirmed that if the supplement is not approved, the amended and extended employment agreement will automatically lapse and Sir Lucian's previous employment agreement will re-enter into force until the expiry thereof at the end of 2023.

She then handed back to the Chairman who consequently invited questions from shareholders.

Mr. Manders took the floor and remarked that in his opinion, Sir Lucian's new remuneration package is outlandish and that it seemed unlikely to him that Sir Lucian would want to work for a competitor having spent his whole career at UMG. In Mr. Manders' view, continuing to work for UMG seemed like Sir Lucian's only option, besides retirement. He then wanted to know if the Remuneration Committee had considered the level of remuneration of Warner Music Group's new Chief Executive Officer which is set at approximately USD 15 million and why it is that the Remuneration Committee was not able to strike a better deal for the Company and its shareholders.

In response thereto, Ms. Jones noted that there is always a risk of Sir Lucian leaving for the competition and continued that because of his track record, position in the music industry, vision and skills, the priority of the Board had been to retain Sir Lucian and at the same time, to better align his new remuneration package with the interests of shareholders by introducing a performance-based equity component. She then confirmed that the Remuneration Committee did carefully look



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at the competition and explained that, while the Company is seated in the Netherlands, it operates in a globalized industry in which the U.S. is by far the largest market, and whose large competitors primarily operate out of the U.S., which is the reason for having focused on U.S. peers, including other media and entertainment as well as technology companies, when benchmarking Sir Lucian's new remuneration package.

Mr. Manders asked what Ms. Jones' views are on the outcome of the benchmarking exercise and the negotiation process regarding Sir Lucian's new remuneration package.

In response thereto, Ms. Jones reiterated that by considerably reducing the cash component and introducing a performance-based equity component, Sir Lucian's new remuneration package is much better aligned with the interests of shareholders, including because a large part of his remuneration now focuses on share price performance. She further explained that for the part that focuses on share price performance, ambitious share price targets have been set, ranging from EUR 26.50 to EUR 38.00.

Mr. Manders indicated that he did not feel that those share price targets were ambitious enough and noted that in his view, the supplement to the Executive Directors Remuneration Policy should be viewed as a new remuneration policy, instead of just a supplement, in which case this agenda item would, according to him, require a 75% majority in order to be approved, such in accordance with Dutch law.

In response thereto, Mr. Harleston confirmed that the supplement should be viewed as a supplement to the Executive Directors Remuneration Policy, and not as a new remuneration policy.¹

As no further questions were raised, the Chairman proceeded with the vote on the approval of the supplement to the Company's existing Executive Directors Remuneration Policy in respect of Sir Lucian and, with 941,768,036 votes in favor, 653,520,215 votes against and 7,903,557 abstentions, established that the supplement to the Executive Directors Remuneration Policy in respect of Sir Lucian had been adopted. She then moved on to agenda item 8.

8. Non-Executive Directors

The Chairman explained that pursuant to the Dutch Corporate Governance Code and the Company's Retirement Schedule for the Non-Executive Directors, a situation whereby all of the Non-Executive Directors retire at the same time should be avoided to the extent possible. In addition, pursuant to the Company's Board Diversity Policy, the Board should strive to get towards a staggered replacement of the Non-Executive Directors. As currently all of the Non-Executive Directors are appointed for a period until the end of the annual general meeting of shareholders to be held in 2024, she explained that it was now proposed that the shareholders re-appoint three of the Non-Executive Directors early to address the aforementioned provisions as well as appoint a new Non-Executive Director. She then handed over to Ms. Jones.

a. Re-appointment of Sherry Lansing as Non-Executive Director

Ms. Jones explained that, at the recommendation of the Nomination Committee, the Board had made a non-binding nomination for the re-appointment of Ms. Lansing as a Non-Executive Director

¹ Note: According to article 19.1 of the Company's articles of association, both the adoption of a new and the amendment of an existing remuneration policy requires a simple majority of the votes cast.



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for a period of two years until the end of the annual general meeting of shareholders to be held in 2025. She continued that Ms. Lansing was first appointed as a Non-Executive Director for a period of two years until the end of the annual general meeting of shareholders to be held in 2024 at the annual general meeting of shareholders held on May 12, 2022, that she serves as the Chairman of the Board and as a member of the Remuneration Committee and Nomination Committee and that she is considered independent for purposes of the Dutch Corporate Governance Code. Ms. Jones then invited questions from shareholders.

Mr. Manders took the floor and asked how Ms. Lansing views her own performance as a member of the Remuneration Committee.

In response thereto, the Chairman explained that the Remuneration Committee spent months discussing an extension and amendment of Sir Lucian's previous employment agreement and confirmed that she feels positive about having achieved a considerable reduction in the cash component and the introduction of a performance-based equity component in his new remuneration package. She further confirmed that she is pleased the Remuneration Committee succeeded in committing Sir Lucian to UMG for the next five years.

Mr. Manders then reiterated that in his opinion, Sir Lucian's new remuneration package is outlandish and explained that for that reason he will vote against the re-appointment of Ms. Lansing as a Non-Executive Director.

As no further questions were raised, Ms. Jones proceeded with the vote on the re-appointment of Ms. Lansing as a Non-Executive Director and, with 1,447,210,798 votes in favor, 152,956,517 votes against and 3,024,493 abstentions, established that Ms. Lansing had been re-appointed as a Non-Executive Director. She then handed back to the Chairman who moved to agenda item 8b.

b. Re-appointment of Anna Jones as Non-Executive Director

The Chairman explained that, at the recommendation of the Nomination Committee, the Board had made a non-binding nomination for the re-appointment of Ms. Jones as a Non-Executive Director for a period of two years until the end of the annual general meeting of shareholders to be held in 2025. She continued that Ms. Jones was first appointed as a Non-Executive Director for a period until the end of the annual general meeting of shareholders to be held in 2024 in September 2021, shortly prior to the Company's listing on Euronext Amsterdam, that she serves as the Vice Chairman of the Board, as the Chairman of the Remuneration Committee and as a member of the Audit Committee of the Board (the **Audit Committee**) and that she is considered independent for purposes of the Dutch Corporate Governance Code. The Chairman then invited questions from shareholders.

Mr. Manders took the floor and asked how Ms. Jones views her own performance as a member of the Remuneration Committee and how her performance has contributed towards closing the gender pay gap amongst Chief Executive Officers.

Ms. Jones reiterated that in having done her job, she has tried to take into account as much as possible the concerns signaled by shareholders on Sir Lucian's legacy remuneration package while at the same time securing Sir Lucian as UMG's Chairman and Chief Executive Officer as he is the right man for the job. With respect to the gender pay gap across boards, while that being a completely separate topic, Ms. Jones confirmed that she absolutely thinks that it should be closed and that she is a strong campaigner on that front. However, the case at hand concerns just one individual whom



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the Board has sought to retain for at least the next five years and by also better aligning his new remuneration package with the interests of shareholders, she believes that the Board has been successful.

Mr. Manders noted that he can see that Sir Lucian is the right man for the job but also indicated that he will vote against the re-appointment of Ms. Jones as a Non-Executive Director as he is disappointed with the outcome of the negotiation process.

As no further questions were raised, the Chairman proceeded with the vote on the re-appointment of Ms. Jones as a Non-Executive Director and, with 654,607,861 votes in favor, 947,402,463 votes against and 1,181,484 abstentions, established that Ms. Jones had not been re-appointed as a Non-Executive Director. She then moved on to agenda item 8c.

c. Re-appointment of Luc van Os as Non-Executive Director

The Chairman explained that, at the recommendation of the Nomination Committee, the Board had made a non-binding nomination for the re-appointment of Mr. Luc van Os as a Non-Executive Director for a period of two years until the end of the annual general meeting of shareholders to be held in 2025. She continued that Mr. Van Os was first appointed as a Non-Executive Director for a period until the end of the annual general meeting of shareholders to be held in 2024 in September 2021, shortly prior to the Company's listing on Euronext Amsterdam, and that he serves as the Chairman of the Audit Committee. She then explained that as Mr. Van Os had been an Executive Director for a period of ten months prior to being appointed as a Non-Executive Director, he is considered non-independent for purposes of the Dutch Corporate Governance Code. The Board, however, does not consider that his non-independent status negatively affects his ability to perform his duties critically and independently. The Chairman then invited questions from shareholders.

As no questions were raised, the Chairman proceeded with the vote on the re-appointment of Mr. Van Os as a Non-Executive Director and, with 1,212,024,445 votes in favor, 389,984,973 votes against and 1,182,390 abstentions, established that Mr. Van Os had been re-appointed as a Non-Executive Director. She then moved on to agenda item 8d.

d. Appointment of Mr. Haim Saban as Non-Executive Director

The Chairman explained that, at the recommendation of the Nomination Committee, the Board had made a non-binding nomination for the appointment of Mr. Saban as a Non-Executive Director for a period of two years until the end of the annual general meeting of shareholders to be held in 2025. She continued that Mr. Saban is considered independent for purposes of the Dutch Corporate Governance Code.

As no questions were raised, the Chairman proceeded with the vote on the appointment of Mr. Saban as a Non-Executive Director and, with 1,588,617,736 votes in favor, 14,041,159 votes against and 532,913 abstentions, established that Mr. Saban had been appointed as a Non-Executive Director. She then moved on to agenda item 9.

9. Authorization of the Board as the competent body to repurchase own shares

The Chairman explained that it was proposed to grant the Board authority to cause the Company to repurchase shares up to a maximum of 10% of the issued share capital of the Company as at the



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date of the General Meeting for a period of 18 months from the date of the General Meeting and that the price against which shares may be so repurchased shall range between an amount equal to the nominal value of the shares and an amount equal to 110% of the average share price. The authorization would allow the Board to execute potential share buyback programs in an efficient manner but could also serve other purposes.

As no questions were raised, the Chairman proceeded with the vote on the authorization of the Board as the competent body to repurchase own shares and with 1,595,456,010 votes in favor, 6,985,965 votes against and 749,823 abstentions, established that the Board had been so authorized. She then moved on to agenda item 10.

10. Appointment of the external auditor for the financial years 2023 up to and including 2025

The Chairman explained that it was proposed that the Company move from a dual auditor structure to a single auditor structure, which is more in line with Dutch market practice. She continued that under the responsibility of the Audit Committee, the Company initiated a selection procedure in the second half of 2022 that was led by a selection committee (the **Selection Committee**) established for these purposes by the Audit Committee. She noted that EY and Deloitte were asked and both decided to participate in the selection procedure. Other audit firms with a license to audit public-interest entities in the Netherlands were either already performing non-audit services for the Company or did not have a global enough reach to cover all of UMG's key geographical areas.

After providing a high-level summary of the selection procedure, the Chairman explained that the Selection Committee had finally presented EY as its preferred choice, which choice had consequently been adopted by both the Audit Committee and the Non-Executive Directors. She further explained that it was now proposed that the shareholders appoint EY as the auditor for the financial years 2023 up to and including 2025.

As no questions were raised, the Chairman proceeded with the vote on the appointment of the external auditor for the financial years 2023 up to and including 2025 and, with 1,601,872,747 votes in favor, 795,618 votes against and 523,443 abstentions, established that EY had been appointed as external auditor for the financial years 2023 up to and including 2025. She then moved on to agenda item 11.

11. Any other business

The Chairman then invited any questions or comments that had not previously been addressed.

Mr. Manders wanted to know if the outcome of the vote on agenda item 7b – the approval of a supplement to the Executive Directors Remuneration Policy in respect of Sir Lucian Grainge – was foreseen as it seemed as though not only a majority of the free float but also a large shareholder had voted against the item and wondered whether the Board will pay attention to the outcome of the vote.

In response thereto, the Chairman confirmed that the Board will definitely pay attention to the outcome of the vote.

Finally, Mr. Manders wanted to know why several large shareholders had voted against agenda item 8b – the re-appointment of Ms. Jones as a Non-Executive Director.



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Ms. Jones noted that as the Board was looking for continuity, her early re-appointment was sought but also that shareholders are free to vote as they like, even if they are represented on the Board.

Mr. Harleston then indicated that the Company cannot comment on the voting behavior of individual shareholders.

The Chairman finished by saying that she has the greatest respect for Ms. Jones and is saddened by the outcome of the vote.

12. Closing

As no further questions were raised, the Chairman closed the meeting and thanked all attendees for being present at the General Meeting.

[This is not a verbatim report of the proceedings of the General Meeting.]

Adopted on November 10, 2023,

Sherry Lansing
Chairman of the Board

Jeff Harleston
Secretary of the General Meeting