1. INTRODUCTION

1.1. This document sets out the Remuneration Policy for Universal Music Group N.V. (UMG and the Company) as adopted by the general meeting of shareholders of UMG, effective 21 September 2021.

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

1.3. When determining the Remuneration Policy, the Remuneration Committee has considered the compensation levels offered in the relevant peer market and general societal views with respect to remuneration of the Board.

1.4. The responsibility for implementing the Remuneration Policy lies with the Board. At the recommendation of the Remuneration Committee, the Board will determine the remuneration of the Non-Executive Directors, considering the provisions of this Remuneration Policy.

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


2. THE OBJECTIVES AND PRINCIPLES OF THE REMUNERATION POLICY

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

- 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 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.

3. **BENCHMARKING AND COMPENSATION PEER GROUP**

3.1. The compensation offered to the Non-Executive Directors of UMG is benchmarked against peer companies periodically, considering compensation levels and trends in the market as well as relevant governance structures.

3.2. The Remuneration Committee will regularly review the compensation peer group and potential compensation peer companies with whom the Company is most likely to compete for talent at the Non-Executive Director level. The Remuneration Committee aims to identify a peer group that best reflects the aspects of UMG’s international business environment, governance structure and company size. The composition of the compensation peer group will be disclosed in the annual Remuneration Report.

4. **INTERNAL PAY RATIOS**

4.1. When determining the total compensation of the Non-Executive Directors, the Remuneration Committee considers the internal pay ratios between Non-Executive Director pay and ordinary employee pay.

5. **REMUNERATION COMPONENTS**

5.1. The remuneration structure for the Non-Executive Directors reflects the time spent and responsibilities of the members. The gross annual remuneration for the Non-Executive Directors is paid in cash and equals:

- €90,000 per annum for performing their role as a Non-Executive Director;
- €20,000 being payable for membership of a Board committee;
- €10,000 for performing the role of chair of a Board committee; and
- €50,000 for performing the role of Chairman of the Board.
5.2. In order to ensure independent supervision, remuneration of the Non-Executive Directors is fixed and not dependent on the Company’s financial results.

5.3. Non-Executive Directors are entitled to reimbursement of reasonable expenses incurred in the performance of their duties of the company. The company does not provide loans, including mortgage loans or advance payment to the Non-Executive Directors, nor provides guarantees to the Non-Executive Directors.

6. TERMS OF ENGAGEMENT

6.1. The appointment of each of the Non-Executive Directors is for an initial term of 2 years, subject to reappointment, with the exception of the non-executive directors who will be appointed around the time of listing of UMG who will be appointed until the first annual meeting to be held in 2024, again subject to reappointment. The Nomination Committee of the Board periodically assesses the skills represented on the Board and determines whether these meet the Company’s needs.

7. DEROGATION

7.1. The Board of Directors may decide, upon recommendation of the Remuneration Committee, to temporarily derogate from the Remuneration Policy. This derogation will only apply in case of exceptional circumstances when it is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability. This may concern all aspects of the Remuneration Policy. Deviations shall be disclosed in the annual remuneration report.

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