



## **UNIVERSAL MUSIC GROUP'S BOARD OF DIRECTORS EXTENDS SIR LUCIAN GRAINGE'S CONTRACT AS CHAIRMAN & CEO OF WORLD'S LEADING MUSIC COMPANY**

**HILVERSUM, Netherlands, March 30, 2023** – Universal Music Group N.V. (EURONEXT: UMG) announced today that its Board of Directors has extended the engagement of UMG Chairman and Chief Executive Officer Sir Lucian Grainge until May 1, 2028.

"UMG is the world's most successful music company and there are incredible opportunities ahead for a company with the right leadership and vision," said Sherry Lansing, UMG's Chairman of the Board. "The UMG Board is resolutely committed to converting those opportunities and maximizing shareholder value for the long term. Only the right kind of chief executive can help achieve that goal and Lucian is just the one to do it. Through his clear vision and strong execution in building UMG into the industry leader, Lucian has also essentially created a new category of music company. This agreement is designed to drive both the sustainable success of UMG and long-term shareholder value."

The extended and amended agreement transitions Grainge from an all-cash compensation package to one that is a combination of equity and cash and includes an equity compensation program with a broad set of performance-based objectives aligned with shareholders' interest and corresponding to the Company's long-term growth strategy.

To assure the compensation program is aligned with shareholders' interest, the majority of the compensation package's economic value will be paid in UMG equity and UMG performance-based stock options.

Grainge's annual salary under the new agreement will be reduced by more than two-thirds from his current salary—to \$5 million. Subject to the achievement of performance criteria, he will be eligible for an annual bonus with a target of \$10 million. The EBITA bonus from his prior employment agreement has been eliminated and Grainge will only be entitled to the contingent bonus under his prior employment agreement on a *pro rata* basis until March 31, 2023.

The equity components of the program include annual grants of \$20 million, comprised of as much as 50% Performance Share Units (PSUs)—with annual PSU goals set by the Board of Directors—and the remainder comprised of Restricted Share Units (RSUs). As part of the Long-Term Incentive Plan, Grainge will receive a one-time transition equity award of \$100 million, of which 50% will be in the form of RSUs and 50% in the form of Performance Stock Options (PSOs). The PSOs will only be paid out if the Company surpasses stock price hurdles (1/3<sup>rd</sup> at €26.50, another 1/3<sup>rd</sup> at €30.00 and 1/3<sup>rd</sup> at €38.00) within the term of the agreement ending May 1, 2028.

The size of the potential equity grant falls within the parameters for potential equity grants as previously disclosed and voted on by shareholders at UMG's 2022 Annual General Meeting in the Company's 2022 Global Equity Plan and UMG's Executive Directors Remuneration Policy.

To align Grainge's term as executive director and Chairman and CEO of UMG with the term of the extended employment agreement—ending on May 1, 2028—the Board will put to UMG's General Meeting a proposal to reappoint Grainge as executive director for a term ending on May 1, 2028. For further information on this proposal (and the proposal below), please see the Investor Relations section of the UMG website (<https://investors.universalmusic.com/>).

The Board will also seek approval at UMG's 2023 Annual General Meeting for a supplement to UMG's existing Executive Directors Remuneration Policy with respect to Grainge's new remuneration.

Further discussion of UMG's compensation programs and their use of equity- and performance-based compensation—including the Global Equity Plan approved by shareholders in 2022—is posted in the Investor Relations section of the UMG website (<https://investors.universalmusic.com/>) and included in the Remuneration Report of the Company's Annual Report to Shareholders.

### About Universal Music Group

At Universal Music Group (EURONEXT: UMG), we exist to shape culture through the power of artistry. UMG is the world leader in music-based entertainment, with a broad array of businesses engaged in recorded music, music publishing, merchandising and audiovisual content. Featuring the most comprehensive catalogue of recordings and songs across every musical genre, UMG identifies and develops artists and produces and distributes the most critically acclaimed and commercially successful music in the world. Committed to artistry, innovation and entrepreneurship, UMG fosters the development of services, platforms and business models in order to broaden artistic and commercial opportunities for our artists and create new experiences for fans. For more information on Universal Music Group N.V. visit [www.universalmusic.com](http://www.universalmusic.com).

### Contacts

#### Media

James Murtagh-Hopkins - [communicationsnl@umusic.com](mailto:communicationsnl@umusic.com)

#### Investors

Erika Begun - [investorrelations@umusic.com](mailto:investorrelations@umusic.com)

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### Forward-looking statements

This press release may contain statements that constitute forward-looking statements with respect to UMG's financial condition, results of operations, business, strategy and plans. Such forward-looking statements may be identified by the use of words such as 'profit forecast', 'expect', 'estimate', 'project', 'anticipate', 'should', 'intend', 'plan', 'probability', 'risk', 'target', 'goal', 'objective', 'will', 'endeavour', 'optimistic', 'prospects', 'outlook' and similar expressions or variations on such expressions. Although UMG believes that such forward-looking statements are based on reasonable assumptions, they are not guarantees of future performance. Actual results may differ materially from such forward-looking statements as a result of a number of risks and uncertainties, many of which are related to factors that are outside UMG's control, including, but not limited to, UMG's inability to compete successfully and to identify, attract, sign and retain

successful recording artists and songwriters, failure of streaming and subscription adoption or revenue to grow or to grow less rapidly than anticipated, UMG's reliance on digital service providers, UMG's inability to execute its business strategy, the global nature of UMG's operations, UMG's inability to protect its intellectual property and against piracy, UMG's inability to attract and retain key personnel, changes in laws and regulations and the other risks that have been described in the 2022 annual report. Accordingly, UMG cautions readers against placing undue reliance on such forward-looking statements. Such forward-looking statements are made as of the date of this press release. UMG disclaims any intention or obligation to provide, update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.