



UNIVERSAL MUSIC GROUP

AUDIT COMMITTEE REGULATIONS

UNIVERSAL MUSIC GROUP N.V.

1 Introduction

- 1.1 These regulations (the *Audit Committee Regulations*) are the regulations of the audit committee (the *Audit Committee*) of the board of directors (the *Board*) of Universal Music Group N.V. (the *Company*).
- 1.2 Capitalized terms used but not otherwise defined in these Audit Committee Regulations have the meaning set forth in the list of definitions included in the regulations of the Board (the *Regulations*).
- 1.3 These Audit Committee Regulations first entered into effect on September 21, 2021, were most recently amended by the Board, effective as of December 31, 2023, and remain in full force and effect until amended or terminated (in whole or in part).

2 General role and responsibilities

- 2.1 Without prejudice to the Regulations, the Audit Committee shall advise the Board in relation to its responsibilities, shall undertake preparatory work for the Board's decision-making regarding the supervision of the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control systems and shall prepare resolutions of the Board in relation thereto.
- 2.2 The Audit Committee shall in any event have the following duties and responsibilities:
 - (a) supervising and monitoring, and discussing with and advising the Board on, the effectiveness of the design and operation of the internal risk management and control systems, including supervising the enforcement of all applicable laws and regulations and supervising the effect of the Company's code of conduct;
 - (b) supervising the preparation and submission of financial and sustainability information by the Company, including supervising the choice of accounting policies, the application and assessment of the effects of new rules, the handling of estimated items and forecasts and the work of the internal auditor, the External Auditor(s) and any other external party involved in the auditing of the sustainability reporting;
 - (c) supervising the compliance with recommendations, comments and observations of the internal auditor, the External Auditor(s) and any other external party involved in the auditing of the sustainability reporting;
 - (d) instructing the External Auditor(s) and the internal audit function to inform the Executive Directors and the chairperson of the Audit Committee without delay if it/they discover(s) or suspect(s) an instance of misconduct or irregularity (and if the actual or



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suspected misconduct or irregularity pertains to the functioning of a Director to report this directly to the Chairman of the Board, and if the actual or suspected misconduct or irregularity pertains to the functioning of the Chairman of the Board to report this directly to the other Directors);

- (e) supervising the functioning of the internal audit function, in particular consulting the internal audit function about the internal audit plan, taking note of the findings and considerations of the internal audit function and giving an opinion on the way in which the internal audit function fulfils its responsibility to the Board;
- (f) ensuring that the way in which the internal audit function fulfils its responsibility is assessed by an independent third party at least every five years;
- (g) supervising the policy of the Company on tax planning;
- (h) supervising the financing of the Company;
- (i) supervising the applications of information and communication technology, including risks relating to cybersecurity and data protection and risks relating to new technologies;
- (j) maintaining frequent contact and supervising the relationship with the internal auditor, the External Auditor(s) and any other external party involved in the auditing of the sustainability reporting;
- (k) implementing the procedure for the selection of the External Auditor(s) and submitting a recommendation to the Non-Executive Directors for the (re)appointment or dismissal of the External Auditor(s) by the General Meeting, giving due consideration to the Executive Directors' observations of the work of the External Auditor(s);
- (l) informing the Board of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of the financial reporting and what the role of the Audit Committee was in that process;
- (m) monitoring the financial reporting and submitting recommendations or proposals to ensure its integrity;
- (n) determining whether and, if so, how the External Auditor(s) shall be involved in the content and publication of financial reports other than the Annual Accounts;
- (o) issuing a recommendation on the appointment and dismissal of the senior internal auditor;
- (p) submitting a proposal to the Board for the engagement of the External Auditor(s) to audit the Annual Accounts;
- (q) considering and, where appropriate, approving for recommendation to the Board the



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Annual Accounts, the Semi-Annual Accounts, the annual budget and major capital expenditures of the Company.

- 2.3 The Audit Committee shall, in addition to the Executive Directors and the External Auditor(s), consult the internal audit function about the internal audit plan prior to the internal audit plan being finalised.
- 2.4 The Audit Committee and the External Auditor(s) shall discuss the external audit plan and the findings of the External Auditor(s) based on the work undertaken by the External Auditor(s). The Audit Committee shall discuss with the External Auditor(s):
 - (a) the scope and materiality of the external audit plan and the principal risks of the annual reporting identified by the External Auditor(s) in the external audit plan; and
 - (b) based also on the documents from which the external audit plan was developed, the findings and outcomes of the audit work on the Annual Accounts and the management letter.
- 2.5 The Audit Committee shall report to the Board on its deliberations and findings. This report must, at least, include the following information:
 - (a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems (whether related to strategy, finance, operations, sustainability, compliance, reporting or otherwise);
 - (b) the methods used to assess the effectiveness of the internal and external audit processes;
 - (c) material considerations regarding the financial and sustainability reporting;
 - (d) the way in which material risks and uncertainties have been analysed and discussed, along with a description of the most important findings of the Audit Committee.
- 2.6 The Audit Committee shall report annually to the Board on the functioning of, and the developments in, the relationship with the External Auditor(s), in particular its/their independence. The report shall address, *inter alia*, the desirability of rotation of partners within, and the performance of non-auditing work by, the External Auditor(s). The selection and recommendation as referred to in Article 2.2 under (k) will also take into account the outcome of this report.
- 2.7 Unless it concerns the renewal of the audit engagement of the External Auditor(s), the recommendation as referred to in Article 2.2 under (k) shall be well-motivated and shall contain at least two choices for the audit engagement. The Audit Committee shall express a duly justified preference for one of those choices. In its recommendation, the Audit Committee shall state that its recommendation is free from influence by a third party and that no contractual clauses restrict the choice by the General Meeting to certain categories or lists of



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statutory auditors or audit firms.

- 2.8 An audit engagement may be renewed but may not exceed a maximum duration of ten years. The duration of an engagement shall be calculated as from the first financial year covered in the first audit engagement letter with the relevant External Auditor(s). After any ten-year engagement period, a mandatory cool-off period of four years applies.
- 2.9 Unless it concerns the renewal of the audit engagement of the External Auditor(s), the recommendation as referred to in Article 2.2 under (k) shall be prepared following a selection procedure organised by the Company – under the responsibility of the Audit Committee – respecting the following criteria:
- (a) the Company shall be free to invite any statutory auditors or audit firms (which are licensed to perform statutory audit services for public-interest entities in the Netherlands) to submit proposals provided that (i) any mandatory cool-off period shall be observed and (ii) the organisation of the selection procedure does not in any way preclude the participation of statutory auditors or audit firms which received less than 15% of the total audit fees from public-interest entities in the Netherlands in the previous calendar year;
 - (b) the Company shall prepare tender documents for the attention of the invited statutory auditors or audit firms. Those tender documents shall allow them to understand the business of the Company and the type of statutory audit services that are to be performed. The tender documents shall predefine transparent and non-discriminatory selection criteria that shall be used by the Company to evaluate the proposals made by the applicant statutory auditors or audit firms;
 - (c) the Company shall be free to determine the selection procedure and may conduct direct negotiations with the applicant statutory auditors or audit firms in the course of the selection procedure;
 - (d) where the AFM requires statutory auditors and audit firms to comply with certain quality standards, those standards shall be included in the tender documents;
 - (e) the Company shall evaluate the proposals made by the applicant statutory auditors or audit firms in accordance with the selection criteria predefined in the tender documents. The Company shall prepare a report on the conclusions of the selection procedure, which shall be validated by the Audit Committee. The Company and the Audit Committee shall take into consideration any findings or conclusions of any inspection report published by the AFM regarding the quality and transparency of the applicant statutory auditors or audit firms;
 - (f) the Company shall be able to demonstrate, upon request, to the AFM that the selection



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procedure was conducted in a fair manner.

- 2.10 The External Auditor(s) shall receive the financial information underlying the adoption of the quarterly or semi-annual accounts and other interim financial reports and shall be given the opportunity to respond to all information.
- 2.11 The External Auditor(s) or the internal audit function, as appropriate, shall inform the Executive Directors and the chairperson of the Audit Committee without delay if, during the performance of its/their duties, it/they discover(s) or suspect(s) an instance of misconduct or irregularity. If the actual or suspected misconduct or irregularity pertains to the functioning of a Director, the External Auditor(s) or the internal audit function, as appropriate, shall report this directly to the Chairman of the Board. If the actual or suspected misconduct or irregularity pertains to the functioning of the Chairman of the Board, the External Auditor(s) or the internal audit function, as appropriate, shall report this directly to the other Directors.
- 2.12 Every Non-Executive Director shall have unrestricted access to all records of the Audit Committee.

3 Composition and size Audit Committee

- 3.1 The Audit Committee shall consist of at least three members. More than half of the members of the Audit Committee, including the chairperson of the Audit Committee, shall be independent within the meaning of Article 5.6 of the Regulations.
- 3.2 All members of the Audit Committee must be Non-Executive Directors.
- 3.3 The Board shall appoint the members of the Audit Committee.
- 3.4 The Board may substitute the members of the Audit Committee at any time.
- 3.5 At least one member of the Audit Committee has competence in accounting and/or auditing. The members of the Audit Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 3.6 The Audit Committee may not be chaired by the Chairman of the Board or by a former Executive Director. The chairperson of the Audit Committee shall be designated by the Board.
- 3.7 Generally the term of office of a member of the Audit Committee will not be set in advance. It will, *inter alia*, depend on the composition of the Board as a whole and the other Committees from time to time.
- 3.8 The composition of the Audit Committee shall be mentioned in the Non-Executive Directors



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Report.

- 3.9 The Company Secretary shall act as the secretary to the Audit Committee.
- 3.10 No member of the Audit Committee may receive, directly or indirectly, any compensation from the Company other than the remuneration paid to Non-Executive Directors for their service on the Board or a Committee thereof.
- 3.11 The chairperson of the Audit Committee or one of the other members of the Audit Committee shall use his/her best efforts to be available to answer questions about the Audit Committee's activities at the annual General Meeting.

4 Meetings of the Audit Committee

- 4.1 The Audit Committee shall hold at least four meetings per year and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the office of the Company, but may also take place elsewhere or by means of a conference call, video-conference, or similar communications equipment provided that all members of the Audit Committee participating in the meeting can communicate with each other simultaneously and none of them has objected to this way of meeting and decision-making. Participation in a meeting held in any of the foregoing ways shall constitute presence at such meeting. The quorum of any meeting shall be a majority of the members of the Audit Committee.
- 4.2 The Audit Committee shall meet with the External Auditor(s) as often as it considers necessary, but at least once a year, outside the presence of the Executive Directors.
- 4.3 The chief financial officer of the Company, the Director in charge of the Company's financial affairs, the internal auditor and the External Auditor(s) shall in principle attend the Audit Committee meetings, unless the Audit Committee determines otherwise. The Audit Committee shall decide whether and, if so, when the Chairman of the Board shall attend its meetings.
- 4.4 The convocation notice of an Audit Committee meeting shall be given in writing, at such time that all the members of the Audit Committee are given opportunity to participate in and prepare themselves for the meeting, and ultimately eight calendar days in advance. In urgent cases, the chairperson of the Audit Committee may determine that a meeting shall be convened upon shorter notice, but in any case no later than two business days before the meeting. Any notice convening a meeting shall contain the agenda for the meeting. The agenda shall be drawn up by the chairperson of the Audit Committee. The other information and decision material for the meeting shall be circulated as soon as possible, but in any case no later than two business days before the meeting.
- 4.5 The Company Secretary shall take minutes of the meetings of the Audit Committee. If the Company Secretary is not present at the meeting, the meeting may designate another secretary. The minutes shall be adopted in the same or a next meeting or in writing, and shall be signed



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by the chairperson of the Audit Committee and the Company Secretary or the secretary designated by the meeting. A copy of the minutes will be shared with the Board.

4.6 If and when required, the chairperson of the Audit Committee shall provide further information to the Board during the Board meetings on the results of the Audit Committee's discussions.

4.7 The number of meetings of the Audit Committee and the main items discussed shall be mentioned in the Non-Executive Directors Report.

5 Outside advisors

The Audit Committee shall have the authority, without Board approval, to engage independent legal counsel and other advisors where it deems such necessary or appropriate to assist it in connection with the execution of its duties and responsibilities. The Company shall pay the fees of such legal counsel or other advisor.

6 Review

The Audit Committee shall from time to time review and assess the adequacy of these Audit Committee Regulations and recommend any proposed changes to the Board. In addition, the Audit Committee shall annually review its own performance.

7 Amendment and deviations

The Board may amend these Audit Committee Regulations and/or revoke any powers granted by it to the Audit Committee. The Board may allow temporary deviations from these Audit Committee Regulations.

8 Regulations *mutatis mutandis* applicable

The relevant Articles of the Regulations shall apply *mutatis mutandis* to these Audit Committee Regulations.

9 Website

These Audit Committee Regulations, and any amendments thereto, shall be posted on the Company's website.
