



WARNER MUSIC GROUP CORP.

COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee (the “Committee”) of Warner Music Group Corp. (the “Company”) discharges the responsibilities of the Board of Directors of the Company relating to all compensation, including equity compensation, of the Company’s executives. The Committee has overall responsibility for evaluating and making recommendations to the Board regarding director and officer compensation, compensation under the Company’s equity incentive plans and other compensation policies and programs.

Composition

1. Members. The Committee shall consist of three or more members. The members of the Committee shall be appointed annually by the Board upon the recommendation of the Executive, Governance and Nominating Committee.
2. Qualifications. The Board shall make a good faith determination that each member of the Committee: (a) at such time as the Company is listed on a national securities exchange or a national securities association (collectively, “SROs”), meets all applicable independence requirements of such SRO on which the Company authorizes its securities to be traded (“Independence Requirements”); (b) is a “non-employee director” within the meaning of the rules promulgated under Section 16(b) of the Securities Exchange Act of 1934, as amended (“Section 16”); and (c) is an “outside director” for purposes of the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (“Section 162(m)”).
3. Chair. The Chair of the Committee shall be appointed by the Board.
4. Removal and Replacement. The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled, by the Board upon the recommendation of the Executive, Governance and Nominating Committee. In addition, membership on the Committee shall automatically end at such time as the Board determines that a member: (a) ceases to meet the Independence Requirements, if any; (b) ceases to be a “non-employee director” for purposes of Section 16; or (c) ceases to be an outside director for purposes of Section 162(m).

Operations

1. Meetings. The Committee shall meet at least twice during each fiscal year. A majority of the Committee shall constitute a quorum for the transaction of business, and any action taken by a majority of the members of the Committee present at a meeting at which there is a quorum shall constitute the act of the Committee. All meetings of the Committee may be held telephonically. In addition, any action



- required or permitted to be taken by the Committee may be taken without a meeting if all members of the Committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto shall be filed with the minutes of the proceedings of the Committee.
2. Agenda. The Chair of the Committee shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.
 3. Report to Board. The Committee shall report to the Board periodically, with such report to be accompanied by any recommendations to the Board approved by the Committee, and shall submit to the Board the minutes of its meetings.
 4. Self-Evaluation; Assessment of Charter. The Committee shall conduct an annual performance self-evaluation and shall report to the Board the results of the self-evaluation. The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board.

Authority and Duties

1. The Committee shall approve and oversee the total compensation package for the Company's executives, including, without limitation, their base salaries, annual incentives, deferred compensation (including any mandatory deferral or any opportunity for voluntary deferral), stock options and other equity-based compensation, incentive compensation, supplemental and incidental benefits and perquisites.
2. The Committee shall develop and oversee the implementation of corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives, and, either as a committee or, if directed by the Board, together with any or all members of the Board who satisfy the Independence Requirements (the "Independent Directors"), determine the compensation of the Chief Executive Officer based on this evaluation. The Committee and the Independent Directors may discuss the compensation of the Chief Executive Officer with any member of the Board. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider, without limitation, the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Chief Executive Officer in past years.
3. The Committee shall produce an annual report on executive compensation as required by the Securities and Exchange Commission (the "SEC") and any SRO on which the Company authorizes its securities to be traded to be included in the Company's



- annual proxy statement filed with the SEC, or its annual report on Form 10-K, as applicable, and shall review and approve any other disclosure regarding compensation matters in such documents.
4. The Committee shall review the results of and procedures for the evaluation of the performance of other executive officers by the Company's Chief Executive Officer.
 5. The Committee has overall responsibility for evaluating and making recommendations to the Board regarding compensation of employees other than the Chief Executive Officer and equity-based and incentive compensation plans, policies and programs of the Company.
 6. The Committee shall review periodically and make recommendations to the Board regarding any long-term incentive compensation or equity compensation plans, programs or similar arrangements that the Company establishes for, or makes available to, its employees and consultants (collectively, the "Plans"), the appropriateness of the allocation of benefits under the Plans and the extent to which the Plans are meeting their intended objectives and, where appropriate, recommend that the Board modify any Plan that yields payments and benefits that are not reasonably related to employee performance.
 7. The Committee shall administer the Plans in accordance with their terms, construe all terms, provisions, conditions and limitations of the Plans, make factual determinations required for the administration of the Plans and periodically review policies for the administration of the Plans.
 8. The Committee shall review and recommend to the Board compensation of directors as well as director's and officer's indemnification and insurance matters.
 9. The Committee shall review and make recommendations to the Board regarding all new employment, consulting, retirement, severance and change-in control-agreements and arrangements proposed for the Company's executives. The Committee shall also periodically review and evaluate existing agreements and arrangements with the Company's executives for continuing appropriateness.
 10. The Committee shall oversee the Company's policies on structuring compensation programs for executive officers to preserve tax deductibility and, as and when required, establish and certify the attainment of performance goals pursuant to Section 162(m).
 11. The Committee shall adopt and periodically review a comprehensive statement of executive compensation philosophy, strategy and principles that has the support of the Board, and administer the Company's compensation program fairly and consistently in accordance with these principles.



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The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its functions. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee, as it deems appropriate in accordance with applicable laws and regulations. The Committee shall be given the resources and assistance necessary to discharge its functions.

The Committee shall have the power to retain compensation consultants having special competence to assist the Committee in evaluating executive compensation. The Committee may also retain counsel, accountants or other advisors, in its sole discretion. The Committee shall have the sole authority to retain and terminate the consultants or advisors and to review and approve the consultants' or advisors' fees and other retention terms.