

**PROCEDURAL RULES FOR THE BOARD OF  
DIRECTORS AND CORPORATE  
GOVERNANCE GUIDELINES**

**Spotify Technology S.A.**

**(the “company”)**

Adopted at a board meeting on February 28, 2018 for the period  
until the 2019 inaugural board meeting

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## **1. Procedural rules for the board**

These procedural rules shall apply until the first meeting of the board of directors (the “board”) following the 2019 annual general meeting of shareholders. At such board meeting, and at each subsequent first board meeting after an annual general meeting (an “Inaugural board meeting”), the board shall adopt procedural rules for the period until the next Inaugural board meeting. The board may at any time revise these procedural rules should the circumstances call for it.

These procedural rules are to be construed as a supplement to the Articles of Association of the company. In the event that the Articles of Association or the provisions of the law of 10 August 1915 on commercial companies as amended (the “Law”) are amended such that it affects the content of these procedural rules, the procedural rules shall be updated to reflect the amendment to the Articles of Association or the modifications of the Law.

## **2. Board’s overall duties and responsibilities**

The role of the board of directors is to promote the long-term value and health of the company in the best interests of its stockholders. In this regard, the board provides management with strategic guidance, and also ensures that management adopts and implements procedures designed to promote both legal compliance and the highest standards of honesty, integrity and ethics throughout the organization. The board is elected by the company’s stockholders. The company’s day-to-day business operations are conducted and supervised by its management and employees, under the supervision of the board. The directors exercise their business judgment and act in what they reasonably believe is the best interests of the company and its stockholders.

The board is vested with the broadest powers (except for the powers which are expressly reserved by law to the general meeting of shareholders) to perform all acts necessary or useful for accomplishing the company’s object.

The board shall be in charge of the organisation and the management of the business of the company in accordance with the provisions of any applicable legislation.

As a collective body of the company, it will act in the corporate interest of the company-ensuring the sustainable development of the company.

The board shall continuously review the financial situation of the company. Since the company is a parent company of a group, the board shall also continuously review the financial situation of the group.

The board shall ensure that the company's organisation is structured so that:

- the accounting, management of funds and the company's overall financial situation is controlled in a satisfactory manner, and
- applicable regulations and instructions are complied with.

### **3. Tasks of the board**

- ensure that there are effective systems in place for monitoring and controlling of the group's operations and financial position compared to its stated objectives;
- establish the annual accounts and consolidated accounts of the company,
- submit annual accounts and consolidated accounts to the auditor(s) of the company,
- convene the general meetings of shareholders of the company,
- ensure that there is satisfactory control of the company's compliance with laws and other regulations applicable to the company's operations
- provide oversight to management succession planning, and
- ensure that guidelines to govern the company's and the group's ethical conduct are adopted.

The work of the board shall be carried out in accordance with applicable laws and regulations, the Articles of Association, resolutions by shareholders' meetings and these procedural rules.

The board shall ensure that it is familiar with the company's operations, financial position and course of business and any other circumstances of importance for the business of the company.

#### **3.2 Matters to be considered by the board**

The following matters shall always be referred to the board for decision,

irrespective of whether the board has appointed a managing director:

- material matters on the group's business concept and strategic development,
- material matters on financial plan, including adoption of annual forecasts and financial targets,
- approval of annual accounts, consolidated accounts, annual reports and any half-year and interim reports (to the extent such reports are or will be prepared),
- initiating or settling legal proceedings of material importance for the group (in court or elsewhere),
- material changes to the group's organisation or to the accounting principles applied by the group, and
- other matters that under law or applicable policies require a board resolution.

The board shall continuously ensure that the board of each subsidiary has adopted procedural rules appropriate for the subsidiary and, if applicable, instructions for the CEO of the subsidiary. Such procedural rules and instructions of each subsidiary shall:

- require referral of all matters listed above for approval by the board of the company, and
- contain instructions so that the directors of the company receive the information required in order to assess the financial information of the group.

### **3.3 Confidentiality**

A director shall at all times keep confidential any information disclosed at board meetings and any other information about the company received in the capacity as a director. The documentation received by the director in connection with the assignment shall be treated as confidential and kept in a safe manner. The aforementioned applies also after the company has publicly disclosed the information.

### **3.4 Access to employees and third parties**

The board shall have unrestricted access to all company books, records, facilities and personnel as required to effectively execute its duties and may invite other individuals whose presence its members believes to be

desirable and appropriate to attend and observe meetings. Directors should arrange such access and use sound professional judgment to ensure that such access is not disruptive to the business operations of the company. The board shall also have the authority to retain outside counsel, accountants, or other expert advisors as it deems appropriate to carry out its responsibilities.

### **3.5 Annual performance evaluations**

The board will conduct an annual self-evaluation of its performance to determine whether it and its committees are functioning effectively. The board will oversee the self-evaluation process and make recommendations to improve performance. The annual self-evaluation of the board will consider input from individual directors and from various board committee reviews as reported.

## **4. Composition and qualifications of the board; compensation of directors**

### **4.1 Composition and qualifications**

The board is currently composed of class A directors (the “A directors”) and class B Directors (the “B directors”) who need not be shareholders.

Except as otherwise permitted by applicable New York Stock Exchange (“NYSE”) rules, the board will consist of a majority of directors who qualify as independent directors under NYSE rules (the “independent directors”).

The board will annually affirm that a director has no material relationships with the company contrary to the interests of the company, either directly or as a partner, stockholder, or officer of an organization that has a relationship with the company. It is the responsibility of each director and prospective director to disclose to the board any relationship that could impair his or her independence or any conflict of interest with the company. The board will broadly consider all relevant facts and circumstances in its assessment of director independence.

### **4.2 Terms**

Directors shall hold their office for the term decided by the general meeting of shareholders or until their successors have been appointed. The directors may be removed at any time, with or without cause, by a resolution of the shareholders’ meeting.

### **4.3 Assignments in other companies**

Each director shall keep the chairman of the board continuously informed of any assignments held by him or her in other companies. No director may serve on the board of directors of more than two other listed public companies, unless the board has affirmatively determined in advance that the director's service is not impaired with respect to his or her effectiveness in carrying out the business of the board and such information has been disclosed appropriately as required by NYSE listing standards.

#### **4.4 Orientation and continuing education**

All directors are encouraged to participate in continuing education programs and new directors must participate in the company's orientation program, which should be conducted as soon as is reasonably practical upon election of the new directors. The company's orientation program will consist of its executive officers providing an overview briefing of the company's strategic and operational initiatives, its significant financial, accounting, and risk management issues, its legal and ethical compliance programs and policies, including the company's Code of Conduct and Ethics, and its independent and internal auditors.

#### **4.5 Director compensation**

The shareholders of the company, upon the recommendation of the Remuneration Committee, shall fix the compensation of the directors and may provide different compensation for members and chairs of the various committees.

The company's executive officers do not receive additional compensation for their service as directors.

### **5. Board meetings, etc.**

#### **5.1 Chairman, secretary, notice, etc.**

The chairman of the board may be appointed by the board of directors from among its members. It may also appoint a secretary, who need not be a director and who will be responsible for keeping the minutes of the board of directors and of the shareholders.

The board of directors will meet upon call by the chairman. A meeting of the board of directors shall be convened if any of two directors so require.

Except in cases of urgency or with the prior consent of all those entitled to attend, at least twenty-four hours written notice of board meetings shall be given in writing or by e-mail. Any such notice shall specify the time and

place of the meeting as well as the agenda and the nature of the business to be transacted. The notice may be waived by the consent in writing or by e-mail of each director. No separate notice is required for meetings held at times and places specified in a schedule previously adopted by resolution of the board of directors.

Every board meeting shall be held in Luxembourg or such other place as the board of directors may from time to time determine.

The independent directors will meet at least once per year in private executive sessions without management or non-independent directors. Executive sessions of the independent directors will be led by the chair of the Audit Committee, who will at all times be an independent director.

## **5.2 Matters at board meetings**

### **5.2.1 Matters at ordinary board meetings**

The following matters shall be addressed at ordinary board meetings:

- (i) minutes from the previous meeting,
- (ii) financial reporting,
- (iii) report from the regular course of business,
- (iv) review of matters under surveillance, and
- (v) other matters that should be referred to the board, or otherwise be subject to the board's decision.

### **5.2.2 Special matters at Inaugural board meetings.**

In addition to the matters listed in section 5.2.1, the following matters shall be addressed at Inaugural board meetings:

- (i) adoption of procedural rules for the board,
- (ii) appointment of any board secretary,
- (iii) evaluation of financial forecasts and investments as well as strategic issues, and
- (iv) assessment of matters pertaining to market and finance.



### 5.2.3 Other matters for the decision of the board

It is incumbent on the board to decide on, among other things, the following matters:

- (i) matters referred to in section 5.2.2, where any amendment is required during the period between the Inaugural board meetings,
- (ii) organisation and management of the company, and
- (iii) other matters which have been referred to the board and such matters that follow from law or regulations.

### 5.3 **Preparation of matters before a board meeting**

The chairman of the board shall ensure:

- that matters are appropriately prepared before a meeting; and
- that necessary supporting documents for any decision are available for each director.

When preparing supporting documents for a decision, the chairman shall take into consideration that the documentation should be of such nature and scope that the board meetings are primarily used for discussions and decisions, not communication of information.

It is the obligation of the chairman of the board to plan each board meeting in such a way that it can be conducted in a structured and time efficient manner with regard to the matters that are to be handled.

### 5.4 **Proceedings at the meeting**

The chairman will preside at all meetings of the board of directors, except that in his absence the board may appoint another director as chairman *pro tempore* by vote of the majority present or represented at such meeting.

The meetings of the board shall be held at such day, time and place as indicated in the convening notice. A meeting may not be adjourned to another date and time unless all directors present so agree and then only for a maximum of 48 hours.

The meetings of the board shall be conducted in English language.

### 5.5 **Quorum**

A quorum of the board of directors shall be one (1) A director and one (1)

B director present at the meeting or, in the event that no category A or category B director have been appointed, three (3) directors holding office.

## **5.6 Vote**

All business arising at any meeting of the board of directors shall be determined by resolution passed by a majority of votes cast. In the case of an equality of votes, the chairman shall have the right to cast the deciding vote (the "Casting Vote"). The Casting Vote shall be personal to the chairman and will not transfer to any other director acting as a chairman of a meeting of the board of directors in the chairman's absence.

## **5.7 Minutes of board meetings**

The minutes of the meetings shall be drafted in English language.

At the next forthcoming meeting, the board of directors shall approve the board minutes.

The minutes of any meeting of the board of directors will be signed by the chairman of the meeting and by the secretary (if any). Any proxies will remain attached thereto.

The minutes shall be kept at the registered office of the company in a specific register.

Copies or extracts of such minutes which may be produced in judicial proceedings or otherwise will be signed by the chairman and by the secretary (if any) or by any two members of the board of directors.

## **5.8 Board meetings over the phone, by video conference or per capsulam**

One or more directors may participate in a meeting by means of a conference call, by videoconference or by any similar means of communication enabling thus several persons participating therein to simultaneously communicate with each other. Such participation shall be deemed equivalent to a physical presence at the meeting.

A written decision, signed by all the directors, is proper and valid as though it had been adopted at a meeting of the board of directors which was duly convened and held. Such a decision can be documented in a single document or in several separate documents having the same content and each of them signed by one or several directors.

## **5.9 Participation at board meetings**

All directors shall adequately prepare for and (taking into account any applicable rules on conflicts of interest) attend all board meetings, including separate meetings of the independent directors, and committee meetings for committees on which they serve in order to effectively fulfill their responsibilities. Any other person appointed to report on a matter for the board may participate at the relevant board meeting to the extent the board finds appropriate.

Any director may act at any meeting of the board of directors by appointing in writing another director as his proxy.

## **5.10 Reporter at board meetings**

The chairman of the board is normally the reporter at board meetings. If the board find it appropriate, other persons from the senior management of the group, the auditor or other persons may in specific cases be appointed to report on a matter for the board.

The reporter's task is to call attention to particularly important matters.

## **6. Delegation of powers**

According to article 441-10 of the Law, the daily management of the company as well as the representation of the company in relation with this management may be delegated to one or more directors, officers, managers or other agents, associate or not, acting alone or jointly. Their nomination, revocation and powers shall be settled by a resolution of the board of directors. The delegation to a member of the board of directors shall entail the obligation for the board of directors to report each year to the ordinary general meeting on the salary, fees and any advantages granted to the delegate. The company may also grant special powers by authentic proxy or power of attorney by private instrument.

## **7. Committees of the board**

The board has two standing committees: Audit and Remuneration. The Audit Committee will consist entirely of independent directors who each meet the independence and other qualification requirements of the NYSE listing standards, as well as all other applicable United States federal laws and regulations relevant to director independence. The members of the Remuneration Committee shall not be required to meet the independence requirements of the NYSE during any period in which the Company is a foreign private issuer under SEC rules, unless the Board otherwise determines not to rely on the NYSE's foreign private issuer exemption.

Committee members will be appointed to serve one-year terms by the board. Each standing committee will have its own charter that sets forth the purpose, composition, meeting guidelines, and responsibilities of the committee. Each committee will report its activities to the board and will conduct a self-evaluation annually. The board may establish additional committees as necessary or appropriate.

## **8. Conflict of interest**

Save as otherwise provided by the Law, any member of the board of directors who has, directly or indirectly, a financial interest conflicting with the interest of the company in connection with a transaction falling within the competence of the board of directors, must inform the board of directors of such conflict of interest and must have his declaration recorded in the minutes of the meeting of the board of directors. The relevant member of the board of directors may not take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next general meeting of shareholders of the company prior to such meeting taking any resolution on any other item.

## **9. Representation of the company**

The company will be bound towards third parties by the joint signature of any A director and any B director or by the sole signature of the person to whom the daily management of the company has been delegated, within such daily management or by the joint signatures or sole signature of any persons to whom such signatory power has been delegated by the board of directors, but only within the limits of such power.

## **10. Provision of the procedural rules for the board**

A copy of the procedural rules for the board shall be provided to each director, the board secretary (if appointed), and the company's auditor.

The present procedural rules for the board supersede and replace any other prior internal rules, regulations instructions to proceed etc. which the board may have adopted from time to time and which are hereby declared void.

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