

AstraZeneca PLC 2024 Annual General Meeting – Statement regarding shareholder vote on Directors’ Remuneration Policy and 2020 Performance Share Plan rules amendment (resolution 7 and resolution 8)

The Board thanks the majority of our shareholders who supported the Remuneration Policy (the Policy) and the amendments to the rules of the AstraZeneca Performance Share Plan 2020 (together, the Remuneration Resolutions) at the 2024 Annual General Meeting (the AGM).

The Board was pleased that the Remuneration Resolutions were approved and also recognised that a notable proportion of shareholders did not support them. Ahead of the AGM, the Remuneration Committee (the Committee) had extensive dialogue on the Remuneration Resolutions with shareholders, and consulted comprehensively in 2023 and ahead of the AGM.

Since the AGM, the Committee has continued to engage with shareholders through written communications to understand the reasons some shareholders were unable to support the Remuneration Resolutions. Additionally, Michel Demaré, the Chair of the Board, has spoken to a number of our shareholders and had specific conversations with them on the Remuneration Resolutions.

As a result of this continuous dialogue, the Committee believes that the Company’s rationale for the Remuneration Resolutions is well understood by shareholders. However, some shareholders were unable to support the Remuneration Resolutions due to the size of the increase to the maximum opportunity within the Performance Share Plan (PSP) and how it compared to the FTSE 100. Some shareholders were also uncomfortable with the decision to increase the maximum opportunity for both the PSP and the Annual Bonus at the same time. A small number of shareholders would have preferred the Committee to increase base pay, rather than increase the performance-related pay opportunity.

In the context of benchmarking executive directors pay globally, and the pay compression issues we face across the most senior leadership levels, the Committee believes that UK listed (FTSE) companies are not the right peer group for us to use, given AstraZeneca’s size, complexity and global footprint relative to FTSE peers, and the influence of pay practice within the global pharma industry.

The new Policy brings pay for our CEO into to the lower quartile of our global pharmaceutical peer group as shown on page 105 of the 2023 Annual Report.

The Committee made a conscious decision that the uplift in remuneration opportunity should be delivered through performance-based pay, and remains committed to setting stretching performance targets which are aligned to the creation of shareholder value and the delivery of Company’s 2030 Ambition. Through our consultation with investors, the Committee learned that most shareholders are comfortable with this increased incentive opportunity in combination with the continued commitment to set stretching targets.

The Policy changes have also provided headroom to allow us to compete for the best senior talent below the board, including in the US, whilst retaining our pay for performance ethos.

The Committee appreciates its ongoing dialogue with investors and looks forward to continuing to discuss remuneration-related matters with shareholders in the future.

AstraZeneca PLC 2024 Annual General Meeting – Statement regarding shareholder vote on the re-election of Marcus Wallenberg (resolution 5m)

At AstraZeneca's 2024 AGM, 77.93% of shareholders voted to re-elect Marcus Wallenberg as a Director of the Company.

The Board understands that some shareholders have expressed concerns regarding Mr Wallenberg's other directorships and the potential for those to impact his time commitment to AstraZeneca.

The Board recognises that Mr Wallenberg has a wide portfolio of other roles outside of AstraZeneca. The Board believes that Mr Wallenberg has brought, and continues to bring, considerable business experience and makes a valuable contribution to the work of the Board, which Mr Wallenberg's portfolio of other roles supports. The Board is satisfied that Mr Wallenberg is able devote sufficient time to discharging his responsibilities as a Director of AstraZeneca.

Mr Wallenberg has been a member of the Science Committee since 2010 and a member of the Sustainability Committee since it was formed in 2021, reflecting his interest in innovation and R&D, sustainability, knowledge of the history of the Company and its scientific heritage and culture, and his broad experience of other industries and businesses in which innovation and R&D are important determinants of success.

Mr Wallenberg's commitment to his role as Director is demonstrated by his meeting attendance during 2023. Mr Wallenberg attended seven out of eight Board meetings; the meeting he missed was an ad hoc meeting, which was called at short notice. He attended five out of nine Science Committee meetings. Two of the Science Committee meetings missed were ad hoc meetings, which were called at short notice to discuss business development transactions, all of which were later reviewed by the Board, including Mr Wallenberg. Mr Wallenberg attended both Sustainability Committee meetings during 2023.

AstraZeneca's expectation is that Non-Executive Directors should be prepared to commit 15 days a year, as an absolute minimum, to the Group's business. In practice, Board members' time commitment exceeds this minimum expectation when all the work that they undertake for the Group is considered. As well as their work in relation to formal Board and Board Committee meetings, the Non-Executive Directors also commit time throughout the year to meetings and telephone calls with various levels of executive management and visits to AstraZeneca's sites throughout the world.

On occasions when a Director is unavoidably absent from a Board or Board Committee meeting, for example where a meeting clashes with their other commitments, they still receive and review the papers for the meeting and typically provide verbal or written input ahead of the meeting, usually through the Chair of the Board or the Chair of the relevant Board Committee, so that their views are made known and considered at the meeting. Given the nature of the business to be conducted, some Board meetings are convened at short notice, which can make it difficult for some Directors to attend due to prior commitments.

The Board is satisfied that all Directors, including Mr Wallenberg, continue to make effective and valuable contributions to the Board and to devote sufficient time to discharging their responsibilities as Directors of AstraZeneca.

The Board remain committed to a constructive and positive relationship with our shareholders and as such, will continue to engage actively with our investors to understand their views.