

## Statement regarding shareholder vote on Annual Report on Remuneration at 2018 AGM

At AstraZeneca's 2018 AGM the shareholder advisory vote on the 2017 Annual Report on Remuneration was passed at 65%, a much lower level of support than the Remuneration Committee hoped to achieve.

The Remuneration Committee is committed to understanding and addressing our shareholders' concerns. We have engaged extensively with our major investors, and with proxy voting advisory bodies, to understand the reasons for the low vote. We undertook further consultation as we developed remuneration proposals for 2019, having taken the feedback received into account. Changes we have already made, or which have taken effect for 2019, include:

### Annual bonus and long-term incentives

- We have simplified our remuneration structure by reducing the number of performance metrics used. In 2018, we reduced the number of bonus metrics. For 2019, we have further simplified science performance metrics for both the bonus and the Performance Share Plan (PSP).
- We committed to disclosing bonus performance and targets immediately following the end of the performance year, which will be seen in our 2018 Annual Report on Remuneration. For PSP awards to be granted in 2019, we will disclose science performance metrics at the start of the performance period.
- In 2018, we changed the structure of Executive Directors' bonuses so that each performance metric is assessed on a standalone basis. The payout range for each metric is capped in line with each Executive Director's maximum bonus opportunity.

### Directors' shareholdings

- In this year's report Executive Directors' positions against their shareholding guidelines are calculated according to the Investment Association's recommended approach and are well above the prescribed share ownership guidelines.
- Furthermore, we have introduced a post-employment shareholding requirement for Executive Directors, requiring them to hold 100% of their shareholding guideline for two years after leaving office.

### Directors' pensions

- We are capping pension entitlement for newly appointed Executive Directors at a level in line with the workforce, and not any senior subset thereof. We consider the UK workforce to be a reasonable proxy for the majority of the workforce to demonstrate this commitment.

### Enhanced disclosures

- Some shareholders have asked for more information about how the Remuneration Committee sets targets and assesses performance. We have included additional information in our 2018 Remuneration Report, to provide clarity and insight for all shareholders and help demonstrate the robustness of our processes.
- The ratios of CEO versus employee pay have been included in our 2018 Remuneration Report, ahead of the new reporting requirement taking effect.

We hope that the extensive consultation we have undertaken and the changes we have made to respond to investor feedback will enable shareholders to support our 2018 Annual Report on Remuneration at AstraZeneca's AGM in April 2019. We will continue to regularly engage with shareholders and other stakeholders and welcome all feedback on our report.

## Statement regarding shareholder vote on re-election of Marcus Wallenberg at 2018 AGM

At AstraZeneca's 2018 AGM, 77.5% of shareholders voted to re-elect Marcus Wallenberg as a Director of the Company.

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. Mr Wallenberg has been a member of the Science Committee since 2010, reflecting his interest in innovation and R&D, 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.

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.

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 Chairman 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.

During 2018, Mr Wallenberg attended eleven out of thirteen Board meetings (85%) and two Science Committee meetings (100%).

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