

11 November 2021

AstraZeneca PLC 2021 Annual General Meeting – Statement regarding shareholder vote on Directors’ Remuneration Policy and 2020 Performance Share Plan rules amendment

At AstraZeneca’s 2021 AGM, the shareholder votes to approve the Directors’ Remuneration Policy (resolution 7) and amend the rules of the 2020 Performance Share Plan (resolution 14) were passed with majorities of 60.19% and 61.72% respectively.

The Remuneration Committee was pleased that the resolutions were approved but recognised that a meaningful proportion of shareholders did not support them. Since the AGM, the Committee, represented by its Chairman, Non-Executive Director Michel Demaré, and management representatives have held discussions with our major investors, and with proxy voting advisory bodies, to understand their concerns in relation to these two resolutions and to discuss remuneration proposals for 2021.

The majority of our largest investors remain overwhelmingly supportive of our Executive Directors and the Company’s strategic ambitions. Shareholders also recognise our Remuneration Policy appropriately aligns executive pay with performance, and highlighted the importance of the Committee’s ongoing commitment to stretching performance targets. They also emphasised the need to remain competitive in the global talent market, and expect the Board to take the necessary measures to position AstraZeneca accordingly. However, a common concern raised by those who voted against the resolutions was that we had sought approval for a new Remuneration Policy at two consecutive AGMs, and in a challenging period because of the pandemic. A minority also expressed concern around the scale of the CEO’s quantum opportunity in the UK context, although there was also satisfaction that the pensions of the executive directors have been aligned to the average UK work force, thereby resulting in a lower fixed compensation and higher leverage of the pay-for-performance component.

We acknowledge that it was unusual to seek approval for a new Remuneration Policy at two consecutive AGMs but believe that doing so was in the best interests of the Company and its shareholders over the longer term. We have been grateful for the opportunity during the recent consultation meetings to reiterate the rationale behind our decision to propose the adoption of a new policy, including:

- The conclusion by the Remuneration Committee and the Board that a new policy was required to enable our remuneration framework to be more competitive, as the markets in which AstraZeneca operates evolve rapidly and given the significantly increased scale and scope of what the CEO and CFO are being asked to deliver. The Company continues to deliver innovative medicines for patients and long-term, sustainable success for our shareholders, and needs to be able to attract and retain outstanding talent.
- Highlighting that the new policy further strengthens our emphasis on performance-related pay, ensuring that remuneration outcomes are aligned with shareholders’ interests.

We have set out below the actions we will take to address shareholders’ concerns:

- We are committed to a period of stability in our approach to executive remuneration, and confirm that our intention is for our new policy to remain in effect until 2024. We do not expect to make any material changes to the structure of executive rewards in 2022, with

the only adjustments being within normal parameters and in line with UK corporate governance good practice.

- We remain committed to our pay-for-performance philosophy and market-competitive remuneration, as demonstrated by the arrangements for Aradhana Sarin on her appointment as an Executive Director and Chief Financial Officer earlier this year, with short- and long-term incentive opportunities compliant with the new policy, and with base pay in line with relevant market benchmarks.
- We will continue to focus on setting stretching performance targets and improving the transparency and quality of disclosure in the Directors' Remuneration Report.

We hope that the extensive consultation we have undertaken and the actions we have taken will enable shareholders to support our 2021 Directors' Remuneration Report at AstraZeneca's AGM in April 2022. We will continue to engage regularly with shareholders and other stakeholders and welcome feedback.

AstraZeneca PLC 2021 Annual General Meeting – Statement regarding shareholder vote on re-election of Sheri McCoy

At AstraZeneca's 2021 AGM, 74.03% of shareholders voted to re-elect Sheri McCoy as a Director of the Company.

Some shareholders expressed concerns about the number of Ms McCoy's other directorships of listed companies and the potential impact on her time commitment to AstraZeneca.

The Board believes that Ms McCoy has brought, and continues to bring, considerable business experience and knowledge of the pharmaceutical industry and makes a valuable contribution to the work of the Board and Committees of which she is a member. In 2020, Ms McCoy attended 14 out of a possible 15 Board meetings, seven out of seven Audit Committee meetings and six out of six Remuneration Committee meetings, contributing fully to the work of the Board throughout the year.

Ms McCoy will step down from the Board of Certara with effect from 1 December 2021, at which point Ms McCoy will sit on four listed company boards, including AstraZeneca.

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