

Invitation to the 2023 Annual General Meeting of Lonza Group Ltd

The Board of Directors of Lonza Group Ltd (Lonza) is pleased to invite you to the Annual General Meeting to be held on:

Friday, 5 May 2023, at 10:00 CEST
at the Congress Center Messe Basel, Messeplatz 21, 4058 Basel

Agenda

1. Management Report, Consolidated Financial Statements and Financial Statements of Lonza

Proposal:

The Board of Directors **proposes** the approval of the Management Report, the Consolidated Financial Statements and the Financial Statements of Lonza for the financial year 2022.

Explanation:

Under Swiss law, the Management Report, the Consolidated Financial Statements and the (stand-alone) Financial Statements of Lonza have to be submitted for approval by shareholders at each Annual General Meeting. The Management Report (i.e. the information on the Company's business, organization and strategy contained in the Annual Report 2022 of Lonza), the Consolidated Financial Statements and the (stand-alone) Financial Statements of Lonza for the financial year 2022 form part of the Lonza Annual Report 2022 (available at <https://www.lonza.com/annualreport/2022>).

In its audit reports printed in the Annual Report, KPMG Ltd, as the statutory auditor of Lonza, recommends without reservation that the Annual General Meeting 2023 approves the Consolidated Financial Statements and the Financial Statements of Lonza for 2022.

2. Consultative Vote on the Remuneration Report

Proposal:

The Board of Directors **proposes** the approval of the Remuneration Report 2022 (consultative vote).

Explanation:

The Remuneration Report 2022 is included in the Lonza Annual Report 2022 (<https://lonza.com/annualreport/2022/remuneration>). In accordance with Swiss law, the Board of Directors submits the Remuneration Report to shareholders for a separate consultative vote in addition to the binding approvals of compensation under agenda items 10 and 11.

The purpose of the Remuneration Report is to inform shareholders about the Board of Directors and Executive Committee compensation systems, policies, practices and any changes implemented during the relevant financial year, if applicable, as well as the compensation paid to the respective bodies as approved by the shareholders at previous Annual General Meetings (AGM). It is established in accordance with Swiss law and regulations by SIX Swiss Exchange.

Our reporting of executive remuneration continues to offer a high level of transparency via (i) the Nominations and Compensation Committee (NCC) Chairman's letter outlining the key activities and developments during the year, (ii) an "At a Glance" section as well as (iii) graphics and tables throughout the report. This year we have further enhanced our disclosure on both the target and the maximum performance targets for the Lonza Bonus plan and our Long-Term Incentive Plan (LTIP). Further, given the 2022 introduction of the Lonza Bonus plan we have enhanced our information related to the applied performance management process, the evaluation of the CEO's performance as well as enhancing the disclosure with information on the environmental, social and governance (ESG) goals and achievements. Any ex ante disclosure of performance targets would provide insights into confidential and strategic considerations that could threaten Lonza's competitive advantage. Thus, by taking the ex post disclosure approach, Lonza aims to protect the interests of the company and its shareholders by disclosing respective targets only after the completion of a plan period.

3. Discharge of the Members of the Board of Directors and the Executive Committee

Proposal:

The Board of Directors **proposes** that the members of the Board of Directors and the Executive Committee be granted discharge for the financial year 2022.

Explanation:

Having accounted for the respective financial year in the Lonza Annual Report 2022, the Board of Directors requests the Annual General Meeting to grant discharge to the members of the Board of Directors and the Executive Committee for the financial year 2022. Under Swiss law, the discharge applies only in respect of disclosed facts.

4. Appropriation of Available Earnings / Reserves from Capital Contribution

Proposal:

The Board of Directors **proposes** the appropriation of the balance sheet profit and a dividend of CHF 3.50 (gross) in cash per share in accordance with the terms set out in the table below:

Balance Sheet Profit

Available earnings brought forward	CHF 5,623,539,280
Profit for the year	CHF 606,884,922
Available earnings at the disposal of the Annual General Meeting	CHF 6,230,424,202
Payment of a dividend (out of available earnings brought forward) in 2023 of CHF 1.75 per share on the share capital eligible for dividend, currently estimated to be CHF 74,281,626 ¹	CHF (129,992,845)
Available earnings carry-forward	CHF 6,100,431,357

Reserves from Capital Contributions

Legal capital reserves qualified as reserves from capital contributions	CHF 2,352,462,436
Reserves from capital contribution	CHF 2,362,462,436
Payment of a dividend (out of reserves from capital contributions) in 2023 of CHF 1.75 per share on share capital eligible for dividend, currently estimated to be CHF 74,281,626 ¹	CHF (129,992,846)
Remaining reserves from capital contributions	CHF 2,222,469,590

¹ Depending on the amount of share capital eligible for dividend on the record date of 10 May 2023. If the final total amount of the dividend is higher or lower, the remaining amount of capital contributions will be adjusted accordingly. No dividend will be paid out on own shares held by the company.

The last trading day with entitlement to receive the dividend is 8 May 2023. As from 9 May 2023 (ex-dividend date), the shares will be traded ex-dividend. The dividend will be payable from 11 May 2023.

Explanation:

If the above proposal for appropriation of available earnings and distribution of reserves from capital contribution is approved, the dividend of total CHF 3.50 (gross) per share will be paid. 50% of such dividend will be paid out as repayment from reserves from capital contributions without deduction of Swiss withholding tax, while the other 50% of the dividend that is paid out of available earnings will be subject to 35% Swiss withholding tax. Under Swiss tax laws, Lonza may not pay out more than 50% of the dividend on a withholding tax free basis.

The statutory auditor of Lonza, KPMG Ltd, has audited the proposed appropriation of available earnings / reserves from capital contributions, including the dividend payment, and has confirmed that the proposal of the Board of Directors complies with Swiss law and the Articles of Association.

5. Re-Elections to the Board of Directors and the Nomination and Compensation Committee

All members of the Board of Directors will stand for re-election.

5.1 Re-Elections to the Board of Directors

Proposal:

The Board of Directors **proposes** the re-election of the following individuals to the Board of Directors for a further one-year term each until completion of the Annual General Meeting 2024:

- a) Albert M. Baehny,
- b) Marion Helmes,
- c) Angelica Kohlmann,
- d) Christoph Mäder,
- e) Roger Nitsch,
- f) Barbara Richmond,
- g) Jürgen Steinemann,
- h) Olivier Verscheure.

Explanation:

Re-elections are held individually. Each of the members of the Board of Directors who are standing for re-election has been recommended for re-election by Lonza's Nomination and Compensation Committee. Following evaluation by the Nomination and Compensation Committee and after careful consideration, the Board of Directors is convinced that it and its committees have an appropriate balance of skills, experience, diversity and knowledge of Lonza's business to effectively fulfill its duties and responsibilities. Detailed biographical data of the candidates for re-election can be found in the Corporate Governance Report contained in the Lonza Annual Report 2022:

(<https://lonza.com/annualreport/2022/governance>)

5.2 Re-Election of the Chairman of the Board of Directors

Proposal:

The Board of Directors **proposes** the re-election of Albert M. Baehny as Chairman of the Board of Directors for a one-year term until completion of the Annual General Meeting 2024

Explanation:

According to Article 16 of Lonza's Articles of Association and Swiss law, the General Meeting shall elect the Chairperson of the Board of Directors for a one-year term of office until completion of the next Annual General Meeting. Mr. Baehny has been recommended for re-election as Chairman by Lonza's Nomination and Compensation Committee.

5.3 Re-Elections to the Nomination and Compensation Committee

Proposal:

The Board of Directors **proposes** the re-election of the following individuals to the Nomination and Compensation Committee each for a further one-year term until completion of the Annual General Meeting 2024:

- a) Angelica Kohlmann,
- b) Christoph Mäder,
- c) Jürgen Steinemann.

Explanation:

Re-elections will be held individually. According to Article 20 para. 2 of Lonza's Articles of Association and Swiss law, the Annual General Meeting shall elect the members of the Nomination and Compensation Committee for a one-year term of office until completion of the next Annual General Meeting.

After careful consideration, the Board of Directors is convinced that with the proposed members, the Nomination and Governance Committee is sufficiently independent and has an appropriate balance of skills, experience and knowledge of Lonza's business to effectively fulfill its duties and responsibilities. If elected by shareholders as a member, the Board of Directors intends to re-elect Christoph Mäder as Chairman of the Nomination and Compensation Committee.

6. Re-Election of the Auditors for 2023

Proposal:

The Board of Directors **proposes** the re-election of KPMG Ltd, Zurich (CH), as auditors for the financial year 2023.

Explanation:

KPMG Ltd, Zurich (CH), is a company supervised by the Swiss Federal Audit Oversight Authority. KPMG Ltd has confirmed for the attention of Lonza that it meets all independence requirements to carry out the audit mandate. Further information on KPMG Ltd and its mandate can be found in the Corporate Governance Report contained in the Lonza Annual Report 2022: (<https://lonza.com/annualreport/2022/governance>).

7. Election of the Auditors for 2024

Proposal:

The Board of Directors **proposes** the election of Deloitte Ltd, Zurich (CH), as auditors for the financial year 2024.

Explanation:

The Board of Directors proposes Deloitte Ltd, Zurich (CH), as its external auditor effective for the financial year 2024. This decision was taken following a comprehensive tender process initiated in February 2022 involving all key stakeholders and in line with international good governance practices. The Board of Directors proposes the election for the financial year 2024 at this year's Annual General Meeting in order to allow Deloitte Ltd to start with handover activities prior to the beginning of the financial year 2024.

Deloitte Ltd is a company supervised by the Swiss Federal Audit Oversight Authority. Deloitte Ltd has confirmed for the attention of Lonza that it is independent to carry out the mandate and has declared to accept its election. Further information on Deloitte Ltd can be found in the Corporate Governance Report contained in the Lonza Annual Report 2022: (<https://lonza.com/annualreport/2022/governance>).

8. Re-Election of the Independent Proxy

Proposal:

The Board of Directors **proposes** the re-election of ThomannFischer, Attorneys at Law and Notaries, Elisabethenstrasse 30, 4010 Basel, Switzerland, as the independent proxy for a one-year term until completion of the Annual General Meeting 2024.

Explanation:

The Independent Proxy allows shareholders to be represented by an independent third party at General Meetings. According to Article 7 para. 2 letter b) of Lonza's Articles of Association and Swiss law, the Annual General Meeting shall elect the independent proxy for a one-year term of office until completion of the next Annual General Meeting. ThomannFischer, Attorneys at Law and Notaries,

Elisabethenstrasse 30, 4010 Basel, Switzerland, have confirmed for the attention of Lonza that they are sufficiently independent to carry out the mandate.

9. Revision of the Articles of Association

The Swiss Company Law (Aktienrecht) applicable to Lonza Group Ltd was revised and entered into force on 1 January 2023. With this comes the need for some changes of Lonza's Articles of Association, and the chance for a few improvements. The Board of Directors therefore presents the following four proposals for changes for Lonza's Articles of Association.

For the full text of the proposed amendments of the Articles of Association, a comparison against the current version of the Articles of Association and related explanations, we refer to the separate Shareholder Information Brochure on the 2023 Revision of the Articles of Association ("Shareholder Information Brochure"), which is available on our website under (<https://www.lonza.com/investor-relations/agenda-and-events/agm>).

9.1 Purpose

The Board of Directors **proposes** that Article 2 of the Articles of Association be amended as set out in the Shareholder Information Brochure.

9.2 Capital Band

The Board of Directors **proposes** to introduce a capital band with an upper limit of CHF 85,635,000 and a lower limit of CHF 67,050,000, authorizing the Board of Directors to increase and decrease the share capital one or several times within these limits until 5 May 2028, and to amend Article 4^{ter} and 4^{quater} of the Articles of Association as set out in the Shareholder Information Brochure.

9.3 Revised Executive Committee Compensation Voting

The Board of Directors **proposes** to amend the Articles of Association to the effect that

- the Annual General Meeting shall going forward take two votes on the compensation of the Executive Committee instead of three (consisting of (i) a retrospective, binding vote regarding the aggregate variable short-term compensation of the Executive Committee, and (ii) a prospective, binding vote regarding the maximum aggregate amount of fixed compensation and variable long-term compensation of the Executive Committee for the next financial year; and
- to provide for a consultative vote on the Remuneration Report.

Accordingly, Article 22 para. 1 of the Articles of Association shall be amended and Article 22 para. 5 of the Articles of Association shall be added as set out in the Shareholder Information Brochure.

9.4 Other Adjustments to the Articles of Association

The Board of Directors **proposes** that Article 4, Article 4^{bis} para. 1, Article 7, Article 9, Article 10, Article 11 para. 1, Article 12 para. 1, Article 17 para. 1, Article 18 para. 2, Article 19, Article 21, Article 23, Article 24 para. 7 and 8, Article 25 para. 1 and 3, Article 26, Article 31 and Article 33 of the Articles of Association be amended as set out in the Shareholder Information Brochure.

10. Compensation of the Board of Directors

Proposal:

The Board of Directors **proposes** the approval of the maximum aggregate amount of compensation of the Board of Directors for the period from the Annual General Meeting 2023 to the Annual General Meeting 2024 of up to CHF 2,900,000.

Explanation:

Why this approval?

This approval is a prospective and binding vote according to Article 22 para. 1 letter a) of Lonza's Articles of Association. It allows shareholders to approve the aggregate maximum compensation of the Board of Directors for the forthcoming term of office.

How is the proposed maximum amount calculated?

This maximum amount has been derived from adding the following components:

1. Gross fixed compensation of CHF 2,630,000 comprising the gross Chairperson fee (CHF 750,000), gross board membership fees (CHF 200,000 per board member), gross committee chair fees (CHF 80,000 per committee chair-person), and gross committee membership fees (CHF 40,000 per committee member) for eight Board members proposed for re-election under agenda item 5.1;
2. Mandatory employer contributions to social security and pension fund of approximately CHF 120,000.
3. A reserve of CHF 150,000 for unforeseen events has been included in the proposed maximum amount. The Board of Directors will only make use of this reserve amount in exceptional circumstances (e.g. possible changes in social security contributions).

The fixed compensation above is expected to remunerate all activities to be performed by the board members.

The board compensation will be paid in quarterly instalments, 50% in cash and 50% in shares. The number of shares will be determined based on the average closing share price of the last five trading days of each quarter, the first time at the end of June 2023. These shares are blocked for a period of three years and are eligible to receive dividends. For further details on the board compensation, please refer to the Lonza Remuneration Report 2022 (<https://lonza.com/annualreport/2022/remuneration>).

Does the proposed maximum amount represent an increase compared with the previous reference period?

During 2022, the Nomination and Compensation Committee implemented the fees as previously reviewed in 2021 and approved at the Annual General Meeting 2022. No further adjustments were made to the fee structure for the Board of Directors.

The proposed maximum amount for the period from the Annual General Meeting 2023 to the Annual General Meeting 2024 reflects a small reduction in budget of <1% compared to the budget that was approved by shareholders at the Annual General Meeting 2022 for the previous reference period (Annual General Meeting 2022 to Annual General Meeting 2023).

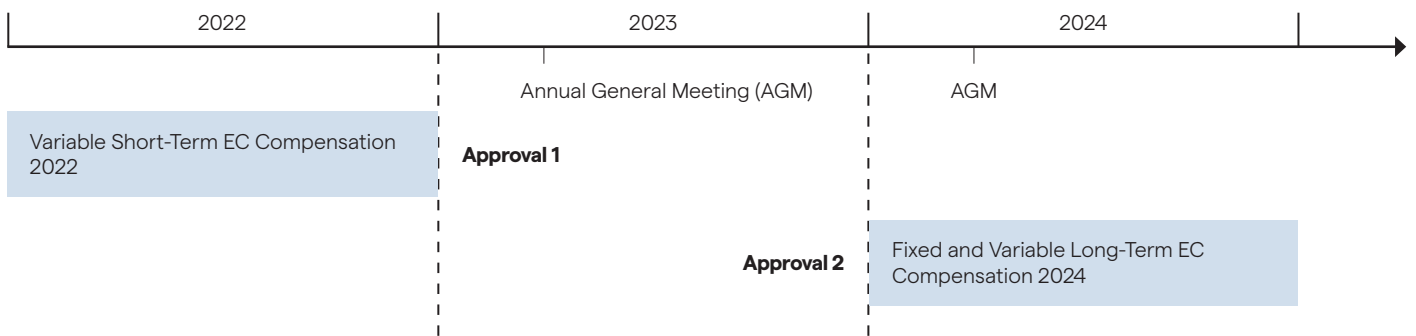
Will the effective pay-out be disclosed?

The actual pay-out to the members of the Board of Directors for the term of office from the Annual General Meeting 2023 to the Annual General Meeting 2024 will be disclosed in the Remuneration Reports 2023 and 2024. Please note that the Board compensation disclosed in the Remuneration Report reflects the total amount for the full year (1 January to 31 December) of the applicable calendar year, while the Annual General Meeting budget request reflects the period between Annual General Meetings (1 April to 31 March).

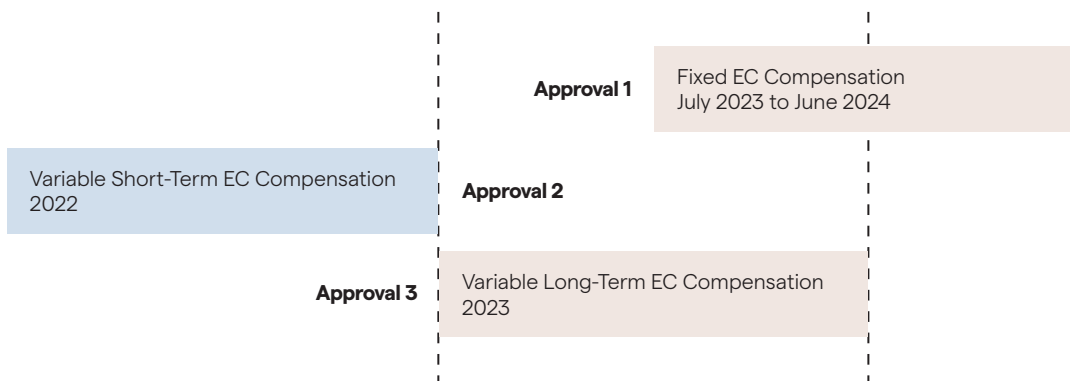
11. Compensation of the Executive Committee

As put forward for vote in agenda item 9, the Board of Directors proposes to simplify the Executive Committee compensation voting system while maintaining pay-for-performance principles. It proposes to replace the current 3-votes with the following 2-votes solution that is used by several Swiss peer companies.

The following chart shows the proposed approvals of compensation periods of the Executive Committee, using the approvals of this year's AGM as an example:



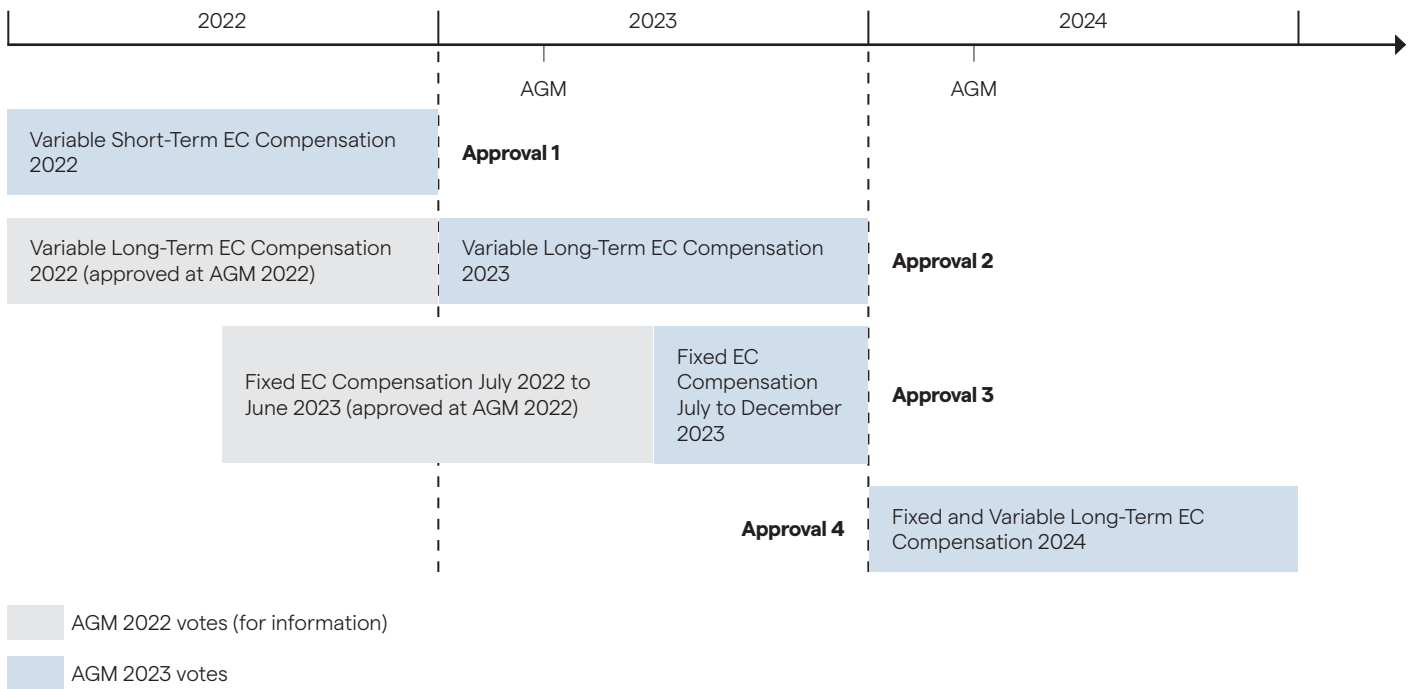
In contrast, the existing compensation approvals turned out to be complex, resulting in the following three votes (using again this year's AGM as an example):



- Proposed/maintained compensation approvals
- Former compensation approvals

If agenda item 9.3 is approved, the following votes are required including two non-recurring votes (vote 2 and 3 mentioned below) which are required to transition from Lonza’s present voting system to the proposed new Executive Committee compensation voting system:

1. As in previous years, a retrospective recurring binding vote according to Article 22 para. 1 letter c) of Lonza’s Articles of Association which allows shareholders to approve the aggregate variable short-term compensation (Lonza Bonus) of the Executive Committee (i.e. a vote in 2023 for the financial year 2022).
2. A non-recurring approval of the maximum aggregate amount of variable long-term compensation under the Long-Term Incentive Plan (LTIP) of the Executive Committee for the financial year 2023.
3. A non-recurring prospective vote regarding the maximum aggregate amount of fixed compensation for the period from 1 July 2023 to 31 December 2023.
4. A recurring prospective vote regarding the maximum aggregate amount of fixed compensation and variable long-term compensation under the Long-Term Incentive Plan (LTIP) of the Executive Committee for the next financial year (i.e. a vote in 2023 for the financial year 2024).



11.1 Aggregate Amount of Variable Short-Term Compensation of the Executive Committee for 2022

Proposal:

The Board of Directors **proposes** the approval of the aggregate amount of variable short-term compensation under the Lonza Bonus plan for the Executive Committee for the 2022 financial year in the amount of CHF 3,500,000.

Explanation:

Why this approval?

This approval is a retrospective, binding vote according to Article 22 para. 1 letter c) of Lonza's Articles of Association. It allows shareholders to approve the aggregate variable short-term compensation of the Executive Committee. This retrospective vote on the variable short-term compensation of the Executive Committee for the 2022 financial year provides for optimal accountability towards the shareholders and fully implements the notion of "say on pay".

How is the proposed amount calculated?

This amount results from the addition of the following components:

1. Cash bonus of CHF 2,560,000;
2. Bonus provided in shares reflecting a value of CHF 740,000. Lonza Bonus is paid out as 50% cash and 50% shares to those Executive Committee members who are yet to meet the Minimum Shareholding Guideline. See page 189 of the Lonza Remuneration Report 2022 for further details; and
3. Total employer contributions in respect of social security and pension fund of CHF 200,000.

For more details on the proposed Lonza bonus pay-out (including targeted percentage of base salary, financial and ESG performance metrics, achievement and the link between pay and performance), please refer to page 191 of the Lonza Remuneration Report 2022.

Does the proposed amount represent an increase compared with the previous reference period?

Compared with bonus for the 2021 financial year of CHF 4,900,000, the proposed Lonza Bonus amount for the 2022 financial year represents a decrease of 29%, despite an increase in eligible EC members (7.7 in 2022 inclusive of departing EC members per contractual terms, compared to 6.3 in 2021). This decrease is driven by a lower performance outcome (102% of target in 2022 compared to 152.7% of target in 2021). For further details, please refer to the Lonza Remuneration Report 2022 (<https://annualreport.lonza.com/2022/remuneration>).

What information will be disclosed to shareholders, and when?

The proposed amount corresponds to the effective pay-out (subject to approval by the Annual General Meeting 2023) as disclosed in the Lonza Remuneration Report 2022.

11.2 Maximum Aggregate Amount of Variable Long-Term Compensation of the Executive Committee for 2023

Proposal:

The Board of Directors **proposes** the approval of the maximum aggregate amount of variable long-term compensation under the Long-Term Incentive Plan (LTIP) of the Executive Committee for the financial year 2023 of up to CHF 12,100,000.

Explanation:

Why this approval?

This approval is a binding vote according to Article 22 para. 2 of Lonza's Articles of Association. It allows shareholders to approve the aggregate maximum variable long-term compensation of the Executive Committee under the LTIP for the current financial year. The LTIP 2023 is an equity-based plan under which equity awards are granted to Executive Committee members in 2023. Those equity awards will only vest after a three-year vesting period if the predetermined performance metrics are fully or partially met as of year-end 2025. If the performance metrics are not met, no LTIP equity award will vest.

How is the proposed maximum amount calculated?

This maximum amount results from the addition of the following components:

1. Maximum value under the LTIP 2023 is CHF 11,400,000, assuming a maximum at 200% of target achievement. The value of the LTIP 2023 at target (100%) would amount to CHF 5,700,000. The number of LTIP equity awards to be granted is calculated according to the closing share price as of the last trading day of January 2023 (31 January 2023, CHF 519.60/share). The LTIP target (as a percentage of the base salary) is 150% for the CEO and 125% for each Executive Committee member.
2. At the vesting date, which is three years from grant, the CEO and Executive Committee members may receive between 0% and 200% of the target equity awards granted, subject to the achievement of predetermined performance metrics CORE EPS (Earnings Per Share) and ROIC (Return On Invested Capital) during the performance period, each weighted at 50%. For transparency reasons Lonza has decided to use the maximum vesting at 200% at market value for the proposed amount under this agenda item 11.2, i.e., a maximum compensation of CHF 11,400,000 plus an estimated maximum total employer contributions to social security and pension fund of CHF 700,000 calculated at grant date at maximum vesting of 200%;
3. CORE EPS and ROIC target performance levels are determined on the basis of Lonza's Mid-Term Guidance 2024 and align to the vesting of 100% of the LTIP equity awards.

Why CORE EPS and ROIC?

The 2023 LTIP awards are subject to CORE EPS and ROIC performance measures, each with an equal weighting. These measures remain appropriate to measure the long-term performance of Lonza. They both align the interests of the Executive Committee with Lonza's financial performance and in turn the interests of our shareholders. In particular ROIC which is defined as adjusted net operating profit after tax divided by average invested capital, measures the return the company generates on its organic and inorganic investments. It is deemed the most appropriate measure to reflect Lonza's growth strategy focusing on key sites and business units. This measure is also a reflection of the effect of decisions taken by

Executive Committee members and senior management over the course of the relevant LTIP performance period.

Performance targets and pay-out curves for CORE EPS and ROIC

The 2023 LTIP award performance targets are based directly on the Lonza's Mid-Term Guidance 2024. These are stretching performance targets and reflect the future Lonza business. Similar to previous years, no LTIP award will vest, if the threshold performance levels are not reached. Threshold performance reflects 90% of on-target performance which corresponds to a 50% of target level pay-out, 100% of on-target performance reflects a 100% of target pay-out and 110% of on-target performance aligns with 120% of target level pay-out. The maximum performance levels have been set at a stretching 140% on target performance, which reflect performance levels that are around 50% above threshold performance levels. A linear pay-out curve is to be applied between these points. Targets and target achievement will be fully disclosed in the Remuneration Report 2025.

Does the proposed maximum amount represent a change compared with the previous reference period?

For the financial year 2023, this amount represents an increase of 9% compared with the maximum LTIP budget approved at the Annual General Meeting 2022 (CHF 11,100,000) for the financial year 2022. This increase in total maximum value is due to two factors, (i) the inclusion of compensation for a departed Executive Committee member in accordance with contractual obligations and applicable plan rules and (ii) the increase in number of Executive Committee members and related increased aggregate base salary level for the Executive Committee which have flowed through to the 2023 LTIP awards.

What information will be disclosed to shareholders, and when?

The amount of variable long-term compensation granted under the Long-Term Incentive Plan (LTIP) to the Executive Committee members for 2023 will be disclosed in the Remuneration Report 2023.

11.3 Aggregate Amount of Fixed Compensation of the Executive Committee for the period from 1 July 2023 to 31 December 2023

Proposal:

The Board of Directors **proposes** the approval of the maximum aggregate amount of fixed compensation of the Executive Committee for the period from 1 July 2023 to 31 December 2023 of up to CHF 3,300,000.

Explanation:

Why this approval?

This approval is a prospective, binding vote according to Article 22 para. 2 of Lonza's Articles of Association. It allows shareholders to approve the aggregate maximum fixed compensation of the Executive Committee for the forthcoming period.

How is the proposed maximum amount calculated?

This maximum amount has been derived from adding the following components:

1. Gross base salaries of CHF 2,200,000, comprise gross levels for eight active Executive Committee members, three of which were appointed in 2022 (please see lonza.com/news-and-media/news-archive). There are no salary increases foreseen for this transition period;
2. Total employer contributions to social security and pension fund of CHF 570,000;
3. Other benefits (such as transportation allowance and medical and wellbeing allowance) of CHF 380,000.
4. A pro-rated and reduced reserve of CHF 150,000 for unforeseen events has been included in the proposed maximum amount. The Board of Directors will only make use of the reserve amount in exceptional circumstances (e.g. possible changes in social security contributions, new allocation of responsibilities among existing Executive Committee members, etc.).

Does the proposed maximum amount represent a change compared with the previous reference period?

Compared with the budget approved by the shareholders at the Annual General Meeting 2022 (CHF 6,470,000) for the previous reference period (1 July 2022 to 30 June 2023), the proposed aggregate maximum amount for the upcoming Annual General Meeting 2023 transition period reflects a decrease of 48% resulting from the shorter 6 month reference period. If considered on an annualized basis the aggregate maximum reflects a small increase of 2%, compared to the previous reference period due to the increase in Executive Committee members. The aggregated value reflects no base salary increases for the Executive Committee in the transition period July to December 2023. On an annualized basis, the per capita value for active EC members decreased by 1% compared to the prior reference period, primarily because the Annual General Meeting 2022 period included one-time compensation provided by Lonza for losses suffered by new EC members when joining Lonza.

What information will be disclosed to shareholders, and when?

The actual fixed compensation paid out to the Executive Committee members for the period from 1 January 2023 until 31 December 2023, incorporating the transition disclosure period from 1 July 2023 until 31 December 2023, will be disclosed in the Remuneration Report 2023.

11.4 Maximum Aggregate Amount of Fixed Compensation and Variable Long-Term Compensation of the Executive Committee for 2024

Proposal:

The Board of Directors **proposes** the approval of the maximum aggregate amount of fixed compensation and variable long-term compensation under the Long-Term Incentive Plan (LTIP) compensation of the Executive Committee for the period from 1 January 2024 to 31 December 2024 of up to CHF 19,600,000.

Explanation:

Why this approval?

This approval is a prospective, binding vote according to the proposed newly worded Article 22 para. 1 letter b) of Lonza's Articles of Association. It allows shareholders to approve the aggregate maximum fixed compensation and variable long-term compensation of the EC for the period of the next financial year.

The LTIP 2024 is an equity based plan under which equity awards will be granted to Executive Committee members in 2024. Those awards will only vest after a three-year vesting period if the predetermined performance metrics are fully or partially met as of year-end 2026. If the performance metrics are not met, no LTIP award will vest.

How is the proposed maximum amount calculated?

This maximum amount has been derived by adding the following components:

1. Gross base salaries of CHF 4,650,000 as of 1 January 2024, comprise gross levels for eight active Executive Committee members. This amount allows the Nomination and Compensation Committee of the Board of Directors to consider in late 2023 a maximum aggregate increase of up to CHF 350,000 in base pay across all the EC members. This amount will only be applied to ensure competitive market salaries and, if necessary to bring the base salary level of an EC member(s) closer towards the market median based on, e.g. development in role, strong successful performance, expansion of scope of responsibility. Any application of this amount would be disclosed in the Remuneration Report 2024 to be brought to a consultative shareholder vote at the Annual General Meeting 2025. For further details on the Executive Committee primary benchmarking peer group, please refer to the Lonza Remuneration Report 2022 (<https://annualreport.lonza.com/2022/remuneration>).
2. Variable long-term compensation for LTIP 2024 of CHF 12,160,000 assuming a full allocation of additional fixed compensation as well as a maximum 200% of target achievement. The value of the LTIP 2024 at target (100%) would amount to CHF 6,080,000. The number of equity awards to be granted will be calculated according to the closing price as of the last trading date in January 2024. The LTIP target as a percentage of base salary is 150% for the CEO and 125% for each EC member. At the vesting date, which is three years from grant, the CEO and EC members may receive between 0% and 200% of the target equity awards granted, subject to the achievement of predetermined performance metrics during the performance period. For transparency reasons Lonza has decided to use the maximum vesting at 200% for the proposed amount under this agenda item 11.4, i.e., a maximum compensation of CHF 12,160,000.
3. Total maximum employer contributions to social security related to fixed compensation and variable long-term compensation and pension fund contributions of CHF 1,900,000.
4. Other benefits (such as transportation allowance and medical and wellbeing allowance) of CHF 540,000.
5. An unchanged reserve of CHF 350,000 for unforeseen events has been included in the proposed maximum amount. The Board of Directors will only make use of the reserve amount in exceptional circumstances (e.g. possible changes in social security contributions, new allocation of responsibilities among existing Executive Committee members, etc.).

Does the proposed maximum amount represent a change compared with the previous reference period?

Compared with the budget approved by the shareholders at the Annual General Meeting 2022 (i.e. CHF 6,470,000 in respect of fixed compensation and CHF 11,100,000 in respect of variable long-term compensation inclusive of respective employer contributions to social security and pension fund) for the previous reference period (1 July 2022 to 30 June 2023), the proposed aggregate maximum amount for the upcoming reference period (1 January 2024 to 31 December 2024) reflects a maximum increase of 16% driven by the increase in number of EC members in 2022 as well as an assumed full allocation of any approved budget. The as-

sumed aggregate value includes the full allocation of additional fixed compensation of CHF 350'000 and corresponding increased LTIP awards for the Executive Committee. The per capita value for active EC members increases slightly by maximum 7% when comparing to the previous reference period of 1 July 2022 to 30 June 2023.

What information will be disclosed to shareholders, and when?

The actual fixed compensation paid out to the EC members for the period from 1 January 2024 until 31 December 2024 and the amount of variable long-term compensation under the LTIP granted to the EC members under the 2024 LTIP will be disclosed in the Remuneration Report 2024. Targets and achievements relating to the LTIP 2024 will be fully disclosed in the Remuneration Report 2026.

Documentation and Attendance Procedures

The German invitation published in the Swiss Official Gazette of Commerce (www.sogc.ch) on 27 March 2023, is the original version. In case of inconsistencies between the German version and the English version, the German version prevails.

Documentation

The Lonza Annual Report 2022, which also includes the Remuneration Report, is available as of today for inspection at the company's head office at Muenchensteinerstrasse 38, 4052 Basel, Switzerland. In addition, shareholders may consult the online Annual Report 2022 following the link: (<https://lonza.com/annualreport/2022>) or through the shareholder online platform (see explanations below). Please note that the Annual Report 2022 is available only in English. Questions regarding the Annual Report 2022 and the Annual General Meeting 2023 may be directed to Investor Relations (investor.relations@lonza.com).

Shareholders Entitled to Vote

Shareholders entered into the share register, with the right to vote, by 20 April 2023, 5:00pm (CEST), are entitled to vote at the Annual General Meeting 2023. Shareholders who have sold their shares prior to the Annual General Meeting 2023 are no longer entitled to vote. Shareholders who intend to personally attend the Annual General Meeting 2023 are kindly asked to return the enclosed order form or use the shareholder online platform for the admission ticket and voting material. The admission ticket and voting material is expected to be mailed as of 21 April 2023.

Power of Attorney

If you cannot attend Lonza's Annual General Meeting 2023 in person, you may arrange to be represented by:

- a) your legal representative or another shareholder entitled to vote (as authorized in writing by using the enclosed order form and power of attorney); or
- b) the current independent proxy, ThomannFischer, Attorneys at Law and Notaries, Elisabethenstrasse 30, P.O. Box 632, CH-4010 Basel, Switzerland. In this case, you are requested to authorize and instruct the independent proxy (a) by completing and sending the enclosed order form and power of attorney to the independent proxy or (b) by using the shareholder online platform (as set out below).

Deadline for Order Form, Power of Attorney and Instructions

Please note that in order to consider your instructions, the order form and power of attorney or any instructions provided through the electronic shareholder platform (as set out below) must be with ThomannFischer by 2 May 2023, 5:00pm (CEST), at the latest.

Use of Shareholder Online Platform

Shareholders may use the shareholder online platform www.gvote.ch to electronically order their ticket of admission and documentation or give voting instructions to the independent proxy. To open a shareholder online platform account, please refer to the separate shareholder platform explanations. Instructions can be issued electronically to the independent proxy by 2 May 2023, 5:00pm (CEST).

Basel, 27 March 2023

On behalf of the Board of Directors,

Albert M. Baehny

Chairman of the Board of Directors

Language

The Annual General Meeting will be held in German with simultaneous translation into English.

Annexes

- Shareholder information brochure
- Order form and power of attorney
- Letter regarding electronic submission of proxies through the shareholder online platform

