

Invitation to the 2024 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 (AGM) to be held on:

Wednesday, 8 May 2024, 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 2023.

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 AGM. The Management Report (i.e. the information on the Company's business, organization and strategy contained in the Lonza Annual Report 2023), the Consolidated Financial Statements and the (stand-alone) Financial Statements of Lonza for the financial year 2023 form part of the Lonza Annual Report 2023 (available at <https://www.lonza.com/annualreport/2023>).

In its audit reports printed in the Lonza Annual Report 2023, KPMG Ltd, as the statutory auditors of Lonza, recommends without reservation that the AGM 2024 approves the Consolidated Financial Statements and the Financial Statements of Lonza for the financial year 2023.

2. Non-Financial Report

Proposal:

The Board of Directors **proposes** the approval of the Non-Financial Report for the financial year 2023.

Explanation: With the introduction of Art. 964a of the Swiss Code of Obligations, Lonza is obliged to prepare a report on non-financial matters as of the financial year 2023. Details on compliance with this obligation can be found in the Lonza Sustainability Report 2023, which is available in English at https://lonza.com/~media/Lonza/Lonzacom/investor-relations/Financial Reports/20240403_Sustainability_Report. Additionally, the report on non-financial matters must be submitted to the AGM for approval. The vote comprises the sections specified on page 60 of the Lonza Sustainability Report 2023. KPMG Ltd has undertaken an independent assurance for the sustainability information under the Lonza material topics disclosed in the Lonza Sustainability Report 2023. KPMG Ltd has also been engaged to provide assurance on Lonza's compliance with Art. 964a-b of the Swiss Code of Obligations. KPMG Ltd has provided an independent assurance report and unqualified limited assurance conclusion on page 63.

3. Consultative Vote on the Remuneration Report

Proposal:

The Board of Directors **proposes** the approval of the Remuneration Report 2023 (consultative vote).

Explanation: The Remuneration Report 2023 is included in the Lonza Annual Report 2023 (<https://lonza.com/annualreport/2023/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 9 and 10.

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 AGMs. 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 Compensation Committee Chairman's letter outlining the key activities and developments during the year, (ii) an "At a Glance" section as well as (iii) enhanced visual graphics and tables throughout the report to facilitate the reading and understanding. This year, in addition to regular activities including succession planning for the Executive Committee and the Board of Directors, we have reviewed the KPIs in the bonus and LTIP plans. In the Compensation Committee Chairman's letter, we share details of our plans to include relative Total Shareholder Return (rTSR) as an additional KPI in the long-term incentive plan (LTIP) from 2024. 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 and actual achievements only after the completion of a plan period.

4. 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 2023.

Explanation: With the discharge of the members of the Board of Directors and the Executive Committee, the Company as well as the approving shareholders declare that they will no longer hold accountable those responsible for events from the past financial year that were brought to the attention of the AGM.

5. Appropriation of Available Earnings / Reserves from Capital Contributions

Proposal:

The Board of Directors **proposes** the appropriation of the balance sheet profit and a dividend of CHF 4.00 (gross) in cash per share in accordance with the terms set out in the table below:

Balance Sheet Profit

Available earnings brought forward	CHF	6,100,627,545
Profit for the year	CHF	464,587,354
Available earnings at the disposal of the AGM	CHF	6,565,214,899
Payment of a dividend (out of available earnings brought forward) for 2023 of CHF 2.00 per share on the share capital eligible for dividend, currently estimated to be CHF 72,116,589 ¹	CHF	(144,233,178)
Available earnings carry-forward	CHF	6,420,981,721

Reserves from Capital Contributions

Legal capital reserves qualified as reserves from capital contributions	CHF	2,222,665,779
Reserves from capital contributions	CHF	2,222,665,779
Payment of a dividend (out of reserves from capital contributions) for 2023 of CHF 2.00 per share on the share capital eligible for dividend, currently estimated to be CHF 72,116,589 ¹	CHF	(144,233,178)
Available reserves from capital contributions carry-forward	CHF	2,078,432,601

Proposed payment of a dividend out of available earnings brought forward	CHF	144,233,178
Proposed payment of a dividend out of reserves from capital contributions	CHF	144,233,178
Total proposed payment of a dividend	CHF	288,466,356

¹ Depending on the amount of share capital eligible for dividend on the record date of 14 May 2024. If the final total amount of the dividend is higher or lower, the remaining amount of available earnings and the remaining amount of reserves from capital contributions will be adjusted accordingly. No dividend will be paid out on treasury shares held by Lonza and its subsidiaries.

The last trading day with entitlement to receive the dividend is 10 May 2024. As from 13 May 2024 (ex-dividend date), the shares will be traded ex-dividend. The dividend will be payable from 15 May 2024.

Explanation: If the above proposal for appropriation of available earnings and distribution of reserves from capital contributions is approved, the dividend of total CHF 4.00 (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 auditors 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 Lonza's Articles of Association.

6. Re-Elections and Election to the Board of Directors, Election of the Chairperson of the Board of Directors and Re-Elections to the Compensation Committee

All current members of the Board of Directors except for Albert M. Baehny will stand for re-election.

6.1 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 AGM 2025:

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

Explanation: Re-elections are held individually. Each member of the Board of Directors who is standing for re-election has been recommended for re-election by Lonza's Compensation Committee and would serve as independent member of the Board of Directors. Following evaluation by the 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 2023: (<https://lonza.com/annualreport/2023/governance>).

6.2 Election to the Board of Directors

Proposal:

The Board of Directors **proposes** the election of Jean-Marc Huët to the Board of Directors for a one-year term until completion of the AGM 2025.

Explanation: Jean-Marc Huët grew up and currently lives in Switzerland. He has a strong international leadership track record, with current chairmanships at Heineken and the private equity-owned premium caterer Vermaat Groep B.V., amongst other senior responsibilities. He has extensive international operational and strategic management experience in the consumer, pharma and nutrition industries as former Chief Financial Officer of Unilever, Bristol-Myers Squibb and Royal Numico N.V. Jean-Marc Huët would join as independent member of the Board of Directors.

6.3 Election of the Chairperson of the Board of Directors

Proposal:

The Board of Directors **proposes** the election of Jean-Marc Huët as Chairman of the Board of Directors for a one-year term until completion of the AGM 2025.

Explanation: According to Article 16 of Lonza's Articles of Association and Swiss law, the AGM shall elect the Chairperson of the Board of Directors for a one-year term of office until completion of the next AGM. Jean-Marc Huët has been recommended for election as Chairman by Lonza's Compensation Committee.

6.4 Re-Elections to the Compensation Committee

Proposal:

The Board of Directors **proposes** the re-election of each of the following individuals to the Compensation Committee for a further one-year term until completion of the AGM 2025:

- 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 AGM shall elect the members of the Compensation Committee for a one-year term of office until completion of the next AGM.

After careful consideration, the Board of Directors is convinced that with the proposed members, the Compensation 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 Compensation Committee.

7. Re-Election of the Auditors for 2025

Proposal:

The Board of Directors **proposes** the re-election of Deloitte Ltd, Zurich, Switzerland, as auditors for the financial year 2025.

Explanation: The Board of Directors proposes Deloitte Ltd, Zurich, Switzerland, as its statutory auditors for the financial year 2025. 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 re-election. Further information on Deloitte Ltd can be found in the Corporate Governance Report contained in the Lonza Annual Report 2023:

<https://lonza.com/annualreport/2023/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 AGM 2025.

Explanation: The independent proxy allows shareholders to be represented by an independent third party at AGMs. According to Article 7 para. 2 letter b) of Lonza's Articles of Association and Swiss law, the AGM shall elect the independent proxy for a one-year term of office until completion of the next AGM. ThomannFischer, Attorneys at Law and Notaries, Elisabethenstrasse 30, 4010 Basel, Switzerland, have confirmed to the attention of Lonza that they are sufficiently independent to carry out the mandate.

9. 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 AGM 2024 to the AGM 2025 of up to CHF 3,015,000.

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 membership of the Board of Directors fees (CHF 200,000 per member of the Board of Directors), gross committee chair fees (CHF 80,000 per committee chairperson), and gross committee membership fees (CHF 40,000 per committee member) for eight members of the Board of Directors proposed for re-election and election under agenda items 6.1 and 6.2, respectively;
2. Mandatory employer contributions to social security and pension fund of approximately CHF 135,000; and
3. A reserve of CHF 250,000 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 or formation of new committee structure).

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

The Board of Directors compensation will be paid in arrears 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 2024. These shares are blocked for a period of three years and are eligible to receive dividends. For further details on the compensation of the Board of Directors, please refer to the Remuneration Report 2023:

<https://lonza.com/annualreport/2023/remuneration>.

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

During 2023, no adjustments were made to the fee structure for the Board of Directors.

The proposed maximum amount for the period from the AGM 2024 to the AGM 2025 reflects a small increase in budget of <5% compared to the budget that was approved by shareholders at the AGM 2023 for the previous reference period (AGM 2023 to AGM 2024) as a result of an increase in reserve for exceptional circumstances.

Will the effective pay-out be disclosed?

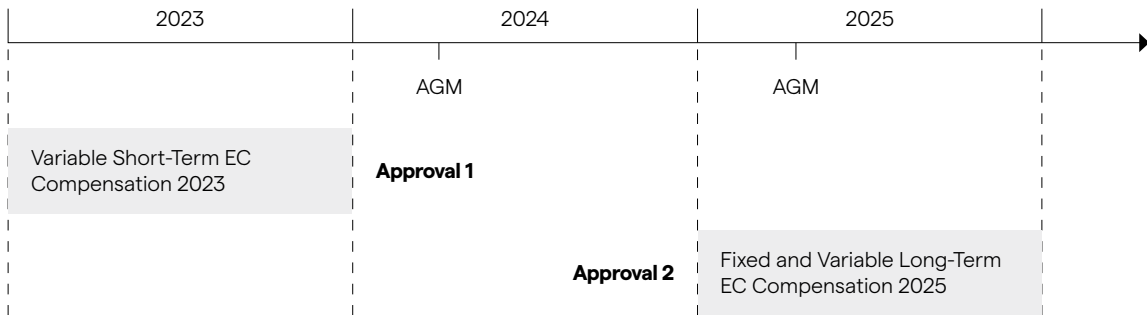
The actual pay-out to the members of the Board of Directors for the term of office from the AGM 2024 to the AGM 2025 will be disclosed in the Remuneration Reports 2024 and 2025. Please note that the compensation of the Board of Directors disclosed in the Remuneration Report reflects the total amount for the full period (1 January to 31 December) of the applicable calendar year, while the AGM budget request reflects the period between two AGMs (1 April to 31 March).

10. Compensation of the Executive Committee

At the AGM 2023, the shareholders approved the introduction of a simplified compensation voting system reflecting pay-for-performance principles, consisting of the following:

1. A retrospective 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 2024 for the financial year 2023); and
2. A prospective vote according to Article 22 para. 1 letter b) of Lonza’s Articles of Association 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 2024 for the financial year 2025).

The following chart shows the votes for the Executive Committee compensation at this year’s AGM:



10.1 Aggregate Amount of Variable Short-Term Compensation of the Executive Committee for 2023

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 financial year 2023 of CHF 4,335,000.

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 financial year 2023 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 3,077,000;
2. Bonus provided in shares reflecting a value of CHF 1,022,000. Lonza Bonus is paid out as 50% cash and 50% shares to those Executive Committee members (EC members) who are yet to meet the Minimum Shareholding Guideline. See page 177 of the Remuneration Report 2023 for further details; and
3. Total employer contributions in respect of social security CHF 236,000.

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 179 of the Remuneration Report 2023.

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

Compared with the bonus for the financial year 2022 of CHF 3,500,000, the proposed Lonza Bonus amount for the financial year 2023 represents an increase of 24%, arising from an increase in eligible EC members (8.8 in 2023 inclusive of departing EC members per contractual terms, compared to 7.7 in 2022). The increase is also driven by a higher company performance outcome (112.4% of target in 2023 compared to 102% of target in 2022). For further details, please refer to the Remuneration Report 2023 (<https://www.lonza/annualreport/2023/remuneration>).

What information will be disclosed to shareholders, and when?

The proposed amount corresponds to the effective pay-out (subject to approval by the AGM 2024) as disclosed in the Remuneration Report 2023.

10.2 Maximum Aggregate Amount of Fixed Compensation and Variable Long-Term Compensation of the Executive Committee for 2025

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 2025 to 31 December 2025 of up to CHF 27,747,000.

Explanation:

Why this approval?

This approval is a prospective, binding vote according to 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 Executive Committee for the period of the next financial year.

The LTIP 2025 is an equity based plan under which equity awards will be granted to EC members in 2025. 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 2027. 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 5,012,000 as of 1 January 2025, comprise gross levels for eight anticipated active EC members, including the market aligned compensation package for the announced new Chief Executive Officer (CEO), Wolfgang Wienand. This amount allows the Compensation Committee of the Board of Directors to consider in late 2024 a maximum aggregate increase of up to CHF 270,000 in base pay across the continuing 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 2025 to be brought to a consultative shareholder vote at the AGM 2026. For further details on the Executive Committee primary benchmarking peer group, please refer to the Remuneration Report 2023: (<https://annualreport.lonza.com/2023/remuneration>);
2. Variable long-term compensation for LTIP 2025 of CHF 15,250,000 assuming a full allocation of additional fixed compensation as well as a maximum 200% of target achievement. The value of the LTIP 2025 at target (100%) would amount to CHF 7,625,000. The number of equity awards to be granted will be calculated according to the average closing prices over the period of the three trading days prior to the grant date in January 2025. 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 10.2, i.e., a maximum compensation of CHF 15,250,000;
3. Maximum employer contributions to social security and pension related to fixed compensation (CHF 1,376,000) and variable long-term compensation (CHF 900,000) and totaling CHF 2,276,000;

4. Other benefits (such as transportation allowance and medical and wellbeing allowance) of CHF 510,000; and
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 EC 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 AGM 2023 (i.e. CHF 6,710,000 in respect of fixed compensation and CHF 12,890,000 in respect of variable long-term compensation inclusive respectively of employer contributions to social security and pension fund) for the previous reference period (1 January 2024 to 31 December 2024), the proposed aggregate maximum amount for the upcoming reference period (1 January 2025 to 31 December 2025) reflects a maximum increase of 19% driven by the assumed full allocation of any approved budget, including application of the full aggregate fixed compensation increase budget. This results in a corresponding increase in the value of the LTIP awards for the Executive Committee. The per capita value for active EC members increases by maximum 8% when comparing to the previous reference period of 1 January 2024 to 31 December 2024.

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 2025 until 31 December 2025 and the amount of variable long-term compensation under the LTIP granted to the EC members under the LTIP 2025 will be disclosed in the Remuneration Report 2025. Targets and achievements relating to the LTIP 2025 will be fully disclosed in the Remuneration Report 2027.

Documentation and Attendance Procedures

The German invitation published in the Swiss Official Gazette of Commerce (www.sogc.ch) on 3 April 2024, is the original version. In case of inconsistencies between the German version and the English version, the German version prevails.

Documentation

Shareholders may consult the Lonza Annual Report 2023, which includes the Remuneration Report, as well as the Lonza Sustainability Report 2023 online under the following link: (<https://lonza.com/annualreport/2023>) or through the shareholder online platform (see explanations below). Please note that the Lonza Annual Report 2023 as well as the Lonza Sustainability Report 2023 are available only in English. Questions regarding the Lonza Annual Report 2023, the Lonza Sustainability Report 2023 and the AGM 2024 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 23 April 2024, 5:00pm (CEST), are entitled to vote at the AGM 2024. Shareholders who have sold their shares prior to the AGM 2024 are no longer entitled to vote. Shareholders who intend to personally attend the AGM 2024 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 are expected to be mailed as of 24 April 2024.

Power of Attorney

If you cannot attend the AGM 2024 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 shareholder online platform (as set out below) must be with ThomannFischer by 5 May 2024, 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 admission ticket 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 until 5 May 2024, 5:00pm (CEST).

Basel, 3 April 2024

On behalf of the Board of Directors,

Albert M. Baehny

Chairman of the Board of Directors

Language

The AGM will be held in German with simultaneous translation into English.

Annexes

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