

DIRECTORS' REMUNERATION REPORT



“Our role in the Remuneration Committee is to provide governance and strategic oversight of remuneration on behalf of

the Board. Our objective is to ensure that our compensation policies and practices support the generation of growth, and facilitate thereby the generation of value for shareholders. Meeting those objectives dominated our agenda during 2007. This included creating the appropriate compensation structures for the new MedImmune business.”

JOHN VARLEY
Chairman of the Remuneration Committee

At the request of the Remuneration Committee, the Chief Executive Officer and certain senior managers were invited to attend meetings of the Remuneration Committee throughout the year. Accordingly, the following attended meetings of the Remuneration Committee in 2007, except where their own remuneration was being discussed: David Brennan (Chief Executive Officer); Tony Bloxham (formerly Executive Vice-President, Human Resources) and, following his retirement, Lynn Tetrault (Executive Vice-President, Human Resources and Corporate Affairs); Peter Brown (formerly Vice-President, Global Compensation and Benefits) and, following his retirement, Simon Appleby (Vice President, Performance and Reward); and (prior to his becoming a Remuneration Committee member and when the business of the meeting was better served by his attendance) Louis Schweitzer. These individuals provided advice and services that materially assisted the Remuneration Committee during the year. In so doing, Mr Brown (and following his retirement, Mr Appleby) drew on various sources of data concerning directors' and executives' salaries, bonus levels and other incentives including general pharmaceutical industry reports and surveys, as well as surveys specifically carried out for the Company, such as those prepared by Towers Perrin.

During 2007, Carol Arrowsmith of Deloitte & Touche LLP (Deloitte) was appointed by the Remuneration Committee to provide it with independent advice on all matters being considered by it. Deloitte also provided taxation advice and other non-audit services to the Company.

REMUNERATION COMMITTEE REMIT AND KEY ACTIVITIES DURING THE YEAR

Remit

During 2007, the Remuneration Committee undertook a review of its own remit. This led to a proposal to adopt a revised remit, building on the model remit prepared by the Institute of Chartered Secretaries and Administrators (ICSA), which was subsequently approved by the Board. This revised remit reflects AstraZeneca's commitment to operate in a way which is consistent with the highest standards of corporate governance.

The revised Remuneration Committee remit covers, amongst other things:

- > The requirement that the Remuneration Committee takes into account all factors which it deems necessary in order to achieve a competitive and fair remuneration structure which operates in the interests

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REMUNERATION COMMITTEE MEMBERSHIP AND MEETINGS

The members of the Remuneration Committee are John Varley (who became the Chairman of the Committee on 26 April 2007), John Buchanan, Louis Schweitzer (since 12 September 2007) and Nancy Rothwell (since 26 April 2007). They are all Non-Executive Directors. The Board considers them all to be independent with the exception of Louis Schweitzer who was considered independent upon his appointment as Chairman of the Board. (The independence of the Non-Executive Directors is discussed in more detail in the Directors' Report on page 43). During 2007, three members resigned from the Remuneration Committee because they retired or resigned from the Board, namely Peter Bonfield (following his retirement from the Board on 26 April 2007), Erna Möller (following her retirement from the Board on 26 April 2007) and Joe Jimenez (following his resignation from the Board on 12 April 2007). The Company Secretary acts as the secretary to the Remuneration Committee.

The Remuneration Committee met six times in 2007. Each meeting was attended by all of its members, except that other commitments prevented John Varley (prior to his appointment as Chairman of the Committee) and John Buchanan from each attending one meeting. Nancy Rothwell and Louis Schweitzer joined the Committee on 26 April 2007 and 12 September 2007 respectively and have attended all meetings from these dates, except that both Nancy Rothwell and Louis Schweitzer were unable to attend the meeting on 3 December 2007 as this was set up with short notice as it was an urgent meeting.

This Directors' Remuneration Report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 (the Regulations) and meets the relevant requirements of the Financial Services Authority's (FSA) Listing Rules. As required by the Regulations, a resolution to approve the report will be proposed at the Annual General Meeting (AGM) on Thursday 24 April 2008.

The following sections of the Directors' Remuneration Report up to and including the section titled 'Non-Executive Directors' page 105 were not subject to audit by KPMG Audit Plc.