This Corporate Governance Report presents the structure, rules and processes that form the basis of Lonza’s corporate governance. The Report follows the structure of the SIX Swiss Exchange’s Directive on Information relating to Corporate Governance. The principles and rules of Lonza’s corporate governance are laid down in the Lonza Articles of Association and in the Regulations Governing Internal Organization and Board Committees, including their Charters. In the implementation of its corporate governance, Lonza follows the Swiss Code of Best Practice for Corporate Governance issued by the Swiss Business Federation economiesuisse.
Corporate Governance
Group Structure and Shareholders

Operational Group Structure

Board of Directors

Audit and Compliance Committee
Nomination and Compensation Committee
Innovation and Technology Committee

Executive Committee

Segments¹ Pharma & Biotech, Specialty Ingredients
Corporate Functions
Global Business Services Organization

Richard Ridinger CEO

Rodolfo Savitzky CFO
Marc Funk COO LPB
Sven Abend COO LSI
Fridtjof Helemann CHRO

¹ As of 1 January 2018, the Capsugel operating segment was fully integrated into Lonza's Pharma & Biotech and Specialty Ingredients segments.
Segments

In 2018 Lonza’s activities were organized in the following segments:

The Pharma & Biotech market-focused segment comprised the following offerings:

• Clinical development services and manufacturing in biologics and small-molecule businesses
• Commercial manufacturing in biologics and small-molecule businesses
• Consumables and research tools

The Specialty Ingredients consumer-focused segment operated in:

• a Consumer Health division
• a Consumer & Resources Protection division
• a Water Care business unit

Corporate Functions

The Corporate Functions include Human Resources, Finance & Controlling, Tax, Treasury, Corporate Development, Procurement, Quality, Environment, Health and Safety, Corporate Communications, Investor Relations, Legal / Ethics & Compliance / IP, Engineering and IT.

Global Business Services Organization

Our Global Business Services Organization (GBSO) supports our segments, operational units and corporate functions with transactional services in financial, customer service, HR and IT. The GBSO focuses on standardization and automation of processes to drive productivity and higher quality services.

Service delivery through the GBSO is being centralized in Manchester (UK) to support EMEA markets and in San Jose (CR) for the Americas.
Holding Company and Listed Companies

Lonza Group Ltd, with our registered office in Basel (CH), is the ultimate parent company of the Lonza Group. Except for Lonza Group Ltd, no company belonging to the Lonza Group is listed. Please refer to the Shares and Participation Certificates section for information on the listed shares, the stock exchanges on which Lonza Group Ltd is listed and the market capitalization.

Principal Subsidiaries and Joint Ventures

The principal subsidiaries and joint ventures of the Lonza Group are shown in note 33: Principal Subsidiaries and Joint Ventures.

Significant Shareholders

According to disclosure notifications filed with Lonza, the following shareholders held more than 3% of the Lonza share capital as of 31 December 2018.

<table>
<thead>
<tr>
<th>Principal Shareholders</th>
<th>%</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock, Inc., New York, NY (USA)</td>
<td>9.67</td>
<td></td>
</tr>
<tr>
<td>Artisan Partners Limited Partnership</td>
<td>3.02</td>
<td></td>
</tr>
</tbody>
</table>

Cross-Shareholdings

Lonza Group Ltd has not entered into any cross-shareholdings.
Capital Structure

Share Capital

As of 31 December 2018, Lonza's share capital amounted to CHF 74,468,752 fully paid-in and divided into 74,468,752 registered shares with a par value of CHF 1 each.

Shareholder Structure

<table>
<thead>
<tr>
<th>Shareholding Region</th>
<th>Shareholders in %</th>
<th>Shares in %</th>
<th>Shareholders in %</th>
<th>Shares in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>89.26</td>
<td>18.18</td>
<td>88.05</td>
<td>18.47</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.65</td>
<td>22.77</td>
<td>0.74</td>
<td>18.96</td>
</tr>
<tr>
<td>USA</td>
<td>2.3</td>
<td>10.69</td>
<td>2.84</td>
<td>5.80</td>
</tr>
<tr>
<td>Others</td>
<td>7.78</td>
<td>5.82</td>
<td>8.36</td>
<td>10.60</td>
</tr>
<tr>
<td>Shares in transit</td>
<td></td>
<td>42.25</td>
<td></td>
<td>45.87</td>
</tr>
<tr>
<td>Treasury shares without voting rights</td>
<td>0.01</td>
<td>0.29</td>
<td>0.01</td>
<td>0.30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Total number of shares: 74,468,752

Share Register

<table>
<thead>
<tr>
<th>Category</th>
<th>31 12 2018</th>
<th>31 12 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered shareholders</td>
<td>16,273</td>
<td>15,110</td>
</tr>
<tr>
<td>Registered shares with voting rights</td>
<td>29,198,985</td>
<td>38,321,348</td>
</tr>
<tr>
<td>Share distribution:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-100</td>
<td>8,224</td>
<td>5,868</td>
</tr>
<tr>
<td>101-1,000</td>
<td>6,821</td>
<td>7,844</td>
</tr>
<tr>
<td>1,001-10,000</td>
<td>973</td>
<td>1,121</td>
</tr>
<tr>
<td>10,001-100,000</td>
<td>209</td>
<td>229</td>
</tr>
<tr>
<td>100,001-1,000,000</td>
<td>42</td>
<td>44</td>
</tr>
<tr>
<td>over 1,000,000</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total registered shareholders</strong></td>
<td><strong>16,273</strong></td>
<td><strong>15,110</strong></td>
</tr>
</tbody>
</table>
Authorized Conditional Capital

The Board of Directors is authorized to increase, at any time until 25 April 2019, the share capital of Lonza through the issuance of a maximum of 7,500,000 fully paid-in registered shares with a par value of CHF 1 each up to a maximum aggregate amount of CHF 7,500,000. This authorized capital was created by the Annual General Meeting held on 25 April 2017. The additional terms and conditions of the authorized capital (including the group of beneficiaries who have the right to subscribe for this additional capital) are set out in Article 4th of the Lonza Articles of Association.

Contingent Capital: Lonza's share capital may be increased through the issuance of a maximum of 7,500,000 fully paid-in registered shares with a par value of CHF 1 each up to a maximum aggregate amount of CHF 7,500,000. This contingent capital (also called conditional capital) was created by the Annual General Meeting on 25 April 2017. The additional terms and conditions of the conditional capital (including the group of beneficiaries who have the right to subscribe for this additional capital) are set out in Article 4bis of the Lonza Articles of Association.

According to Article 4quater of the Lonza Articles of Association, the capital increases in the form of contingent capital and authorized capital may increase Lonza's share capital by a maximum aggregate amount of CHF 7,500,000.

Changes in Capital

<table>
<thead>
<tr>
<th>As of 31 December</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital in CHF</td>
<td>74,468,752</td>
<td>74,468,752</td>
<td>52,920,140</td>
<td>52,920,140</td>
</tr>
<tr>
<td>Registered shares</td>
<td>74,468,752</td>
<td>74,468,752</td>
<td>52,920,140</td>
<td>52,920,140</td>
</tr>
<tr>
<td>Par value in CHF / share</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Shares and Participation Certificates

Lonza registered shares, with a par value of CHF 1 each, are listed on the SIX Swiss Exchange (SIX), with secondary listing on the SGX Singapore Exchange. In Switzerland they have been included in the Swiss Market Index (SMI) since 3 May 2017.

Lonza has not issued any participation certificates (Partizipationscheine, non-voting shares).
Stock Exchange Listing / Trading: SIX Swiss Exchange
SGX Singapore Exchange

Common Stock Symbols: Bloomberg LONN SW
Reuters LONN.S
SIX Financial Information
LONN SGX 06Z

Security Number: Valor 001384101
ISIN CH0013841017

On 31 December 2018, Lonza had a market capitalization of CHF 18,967 million (2017: CHF 19,607 million).

Profit-Sharing Certificates

Lonza has not issued any non-voting equity security (Genussscheine, profit-sharing certificates).

Limitations on Transferability and Nominee Registrations

Purchasers of registered shares declaring that they have acquired these shares in their own name and for their own account will be entered without limitation as shareholders with voting rights in the share register. Persons who do not declare to have acquired the respective shares in their own name and for their own account are considered «nominees» and will be entered with voting rights in the share register up to a maximum of 2% of the share capital, unless the actually entitled persons are revealed. The details are set out in Article 6 of the Lonza Articles of Association. This restriction may only be removed by a resolution of the Shareholders’ Meeting with a quorum in accordance with Swiss law.

Convertible Bonds

Neither Lonza Group Ltd nor any of its subsidiaries has outstanding convertible bonds.

Options

As of 31 December 2018, no options or warrants to acquire shares issued by or on behalf of Lonza Group Ltd were outstanding.
Board of Directors

The Board of Directors is made up of 10 non-executive members.

<table>
<thead>
<tr>
<th>Name</th>
<th>Nationality</th>
<th>Year of birth</th>
<th>Year of initial appointment</th>
<th>Expiration of current term of office</th>
<th>Independence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albert M. Baehny¹</td>
<td>Swiss</td>
<td>1952</td>
<td>2017</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Patrick Aebischer</td>
<td>Swiss</td>
<td>1954</td>
<td>2008</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Werner Bauer</td>
<td>Swiss</td>
<td>1950</td>
<td>2013</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Angelica Kohlmann²</td>
<td>German-Brazilian</td>
<td>1960</td>
<td>2018</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Christoph Mäder</td>
<td>Swiss</td>
<td>1959</td>
<td>2016</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Barbara Richmond</td>
<td>British</td>
<td>1960</td>
<td>2014</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Margot Scheltema</td>
<td>Dutch</td>
<td>1954</td>
<td>2012</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Jürgen Steinemann</td>
<td>German</td>
<td>1958</td>
<td>2014</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Antonio Trius</td>
<td>Spanish</td>
<td>1955</td>
<td>2013</td>
<td>2019</td>
<td>Independent</td>
</tr>
<tr>
<td>Olivier Verscheure²</td>
<td>Belgian</td>
<td>1972</td>
<td>2018</td>
<td>2019</td>
<td>Independent</td>
</tr>
</tbody>
</table>

The assessment of the independence of the members of the Board of Directors is made pursuant to Article 14 of the Swiss Code of Best Practice for Corporate Governance. Independent members shall mean non-executive members of the Board of Directors who have never been members of the Executive Committee, or were members there of more than three years ago, and who have no or comparatively minor business relations with the company.

Since 2017, Dr Patrick Aebischer has been a Senior Partner and Member of the Investment Advisory Committee of NanoDimension Management Limited. In 2017 Lonza decided to commit to a limited investment in a venture fund managed by NanoDimension Management Limited. Dr Aebischer abstained from voting on this item. The indirect business relations between Lonza and Dr Aebischer resulting from said commitment are considered comparatively minor; and pursuant to the principles set forth in the preceding paragraph, Dr Aebischer is considered independent.

¹ Albert M. Baehny was elected to the Board of Directors by the AGM 2017 and holds the position of Chairperson of the Board of Directors
² Angelica Kohlmann and Olivier Verscheure were elected to the Board of Directors by the AGM 2018
Limitation of Number of Mandates

According to Article 26 of Lonza’s Articles of Association, no member of the Board of Directors may hold more than:

- Eight additional mandates in listed and non-listed companies, out of which not more than four mandates may be in listed companies;
- Five mandates held at the request of Lonza or companies controlled by it;
- Ten mandates in associations, charitable foundations, trusts and employee welfare foundations.

The Chairperson of the Board of Directors may not hold more than eight additional mandates in listed and non-listed companies, out of which no more than three may be in listed companies.

Mandates shall mean mandates in the supreme governing body of a legal entity that is required to be registered in the commercial register or a comparable foreign register. Mandates in different legal entities that are under joint control or in the same beneficial ownership are deemed to be a single mandate. Mandates in companies that are controlled by Lonza or that control Lonza are not subject to the limitation set forth above.

All Board members comply with the provisions regarding their mandates. This is verified by Lonza on a regular basis.

Elections and Terms of Office

Each member of the Board of Directors is individually elected by the Annual General Meeting for a term of office of one year until the end of the next Annual General Meeting. Board members may not serve more than nine complete terms of office on the Board of Directors. If deemed in the best interest of the Company, the Board of Directors can extend this limit.

The Chairperson of the Board of Directors is elected by the Shareholders’ Meeting. The Vice-Chairperson is appointed by the Board of Directors. The members of the Nomination and Compensation Committee are elected by the Shareholders’ Meeting on an annual basis. The members of the other Board Committees are appointed by the Board of Directors. The Chairpersons of the Board Committees are nominated by the members of the respective Board Committees, except the Chairperson of the Nomination and Compensation Committee that is elected by the Board in corpore.
Internal Organizational Structure

The Board of Directors consists of the Chairperson, the Vice-Chairperson and the other Board members. In accordance with Lonza's Articles of Association, the number of members must be at least five.

The members of the Board of Directors sat on the following committees in 2018:

<table>
<thead>
<tr>
<th>Name</th>
<th>Audit and Compliance Committee</th>
<th>Nomination and Compensation Committee</th>
<th>Innovation and Technology Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albert M. Baehny</td>
<td></td>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>Patrick Aebischer</td>
<td></td>
<td></td>
<td>Chairperson</td>
</tr>
<tr>
<td>Werner Bauer</td>
<td></td>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>Christoph Mäder</td>
<td></td>
<td>Chairperson</td>
<td></td>
</tr>
<tr>
<td>Barbara Richmond</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margot Scheltema</td>
<td>Chairperson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jürgen Steinemann</td>
<td></td>
<td>Member</td>
<td></td>
</tr>
<tr>
<td>Antonio Trius</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Angelica Kohlmann</td>
<td></td>
<td>Member</td>
<td>Member</td>
</tr>
<tr>
<td>Olivier Verscheure</td>
<td></td>
<td></td>
<td>Member</td>
</tr>
</tbody>
</table>

The Board of Directors strives to select the committee members based on their professional background and experience.

Audit and Compliance Committee

The Audit and Compliance Committee meets and consults regularly with the Executive Committee, the Lonza Audit Services and the independent external auditors to review the scope and results of their work and their performance, according to the Audit and Compliance Committee Charter. Among other responsibilities, the Audit and Compliance Committee reviews (i) the external auditors' independence, (ii) the systems of internal control and financial reporting, (iii) the risk management system, (iv) compliance with laws, regulations and policies and (v) Lonza's financial statements and results (including releases). The Audit and Compliance Committee is empowered to decide the tasks assigned to it and regularly informs the full Board of Directors on all matters discussed and decided in its meetings. The members of the ACC benefit from their broad professional backgrounds and experience as finance director, CFO and CEO for their committee work. Internal and external auditors have full and free access to the Audit and Compliance Committee, which also oversees the Lonza Audit Services. The Lonza Audit Services have a direct reporting line to the Chairperson of the Audit and Compliance Committee.
Nomination and Compensation Committee

The Nomination and Compensation Committee is entrusted with responsibilities that include the review and recommendation of compensation policies and plans (e.g. incentive compensation and equity plans) and the compensation of the members of the Executive Committee. This committee also makes an assessment to ensure that the area of nomination and compensation is in compliance with the standards set forth in the associated charter. Further, the Nomination and Compensation Committee evaluates potential members of the Board of Directors. The Nomination and Compensation Committee is empowered to decide the tasks assigned to it and regularly informs the full Board of Directors on matters discussed in its meetings and submits proposals for Board decision in accordance with the Nomination and Compensation Committee Charter.

Innovation and Technology Committee

The Innovation and Technology Committee monitors potential technology breakthroughs, supports management in driving innovation projects and provides and facilitates contacts, e.g. with academia and research institutions. With regard to the tasks assigned to it, the Innovation and Technology Committee regularly informs the full Board of Directors on all matters discussed and decided in its meetings, in accordance with the Innovation and Technology Committee Charter.

Number of Meetings, Duration and Attendance

<table>
<thead>
<tr>
<th>Number of meetings</th>
<th>Board of Directors</th>
<th>Audit and Compliance Committee</th>
<th>Nomination and Compensation Committee</th>
<th>Innovation and Technology Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference calls:</td>
<td>7¹</td>
<td>6²</td>
<td>6³</td>
<td>5³</td>
</tr>
<tr>
<td>1 hour</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary meetings:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6:30 hours</td>
<td></td>
<td>3:00 hours</td>
<td>2:15 hours</td>
<td>2 hours</td>
</tr>
<tr>
<td>Overall attendance</td>
<td>93%</td>
<td>94%</td>
<td>89%³</td>
<td>100%³</td>
</tr>
</tbody>
</table>

The Regulations Governing Internal Organization and Board Committees set out in detail the powers and responsibilities of the Board of Directors, its Committees and the Executive Committee. These standing Board Committees provide support to the Board of Directors in their respective areas of responsibility. The Board of Directors meets with all members of the Executive Committee at each ordinary Board meeting for business updates and decisions to be taken. The CEO is a permanent guest of the Innovation and Technology Committee and is regularly invited to the meetings of the Nomination and Compensation Committee. The CFO attends all meetings of the Audit and Compliance Committee.
### Attendance

<table>
<thead>
<tr>
<th>Name</th>
<th>Board of Directors</th>
<th>Audit and Compliance Committee</th>
<th>Nomination and Compensation Committee</th>
<th>Innovation and Technology Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Meetings</td>
<td>Number of Meetings</td>
<td>Number of Meetings</td>
<td>Number of Meetings</td>
</tr>
<tr>
<td><strong>Meeting Total</strong></td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Albert M. Baehny</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Patrick Aebischer</td>
<td>7</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Werner Bauer</td>
<td>7</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Christoph Mäder</td>
<td>6</td>
<td>6</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Barbara Richmond</td>
<td>7</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margot Scheltema</td>
<td>6</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jürgen Steinemann</td>
<td>5</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Antonio Trius</td>
<td>6</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Angelica Kohlmann</td>
<td>4(^1)</td>
<td></td>
<td>3(^2)</td>
<td>3(^2)</td>
</tr>
<tr>
<td>Olivier Verscheure</td>
<td>4(^2)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Missed Board meetings primarily relate to Board calls arranged on short notice (only 7 days prior to call), as opposed to regular, scheduled physical meetings
2 Attendance at all meetings post appointment. This has been included post publication of the Annual Report on 28 March 2019 as correction to the original version
3 Board member Jürgen Steinemann had to cancel his attendance at one Board and one NCC meeting due to an external mandatory request beyond his control and could not attend a second Board meeting (call) that had been arranged at 7 day notice; other members of the Board also could not attend this call at short notice

### Areas of Responsibility

In accordance with the law and the Lonza Articles of Association, the Board of Directors is the supreme governance body of the Group. The Board of Directors is responsible for the tasks assigned to it according to (i) Article 18 of the Lonza Articles of Association and (ii) the Regulations Governing Internal Organization and Board Committees (Article 2.8).

The Board of Directors defines the strategic direction and is responsible for the ultimate management of Lonza as well as the supervision of the persons entrusted with Group management. It is responsible for issuing the necessary instructions especially with regard to compliance with the law, the Articles of Association, and the regulations and directives.

In compliance with the law and the Articles of Association, the Board of Directors has – with the exception of non-delegable and inalienable duties – delegated the management of the company to the Executive Committee. The Board of Directors commits itself to maintaining the highest standards of integrity and transparency in its governance of Lonza. On an annual basis, the Board undertakes a self-assessment process. The aim is to achieve continuous improvement in the functioning of the Board.
All sustainability-related matters are with the Chairperson of the Board. Sustainability includes environmental, social and governance-related matters of importance for Lonza and its stakeholders. A sustainability council headed by the Lonza Group General Counsel and Company Secretary manages as material identified topics and is responsible for the sustainability reporting.

Lonza’s Sustainability Report is discussed by the Nomination and Compensation Committee (NCC) and Audit and Compliance Committee (ACC) in accordance with Lonza's financial reporting and ultimately approved by the Board of Directors.

**Information and Control Instruments**

The Board of Directors ensures that it receives sufficient information from the Executive Committee to perform its supervisory duty and to make the decisions that are reserved for the Board of Directors through several means.

**Board Information**

The [Regulations](#) Governing Internal Organization and Board Committees confer on the CEO the duty to inform the Executive Committee and – together with the Chairperson – the Board of Directors on the business activities and all important business transactions, including risk issues. In addition, during Board meetings, each member of the Board may request information from the other members of the Board, as well as from the members of the Executive Committee present on all affairs of the Company and the Group. Outside of Board meetings, each member of the Board may request from the members of the Executive Committee information concerning the course of business of the Company and the Group.
Regular Reports to the Board

In addition to the documents required to pass resolutions, the Board of Directors receives the following reports:

- Monthly reports on the sales and earnings performance of the Group structured by segments.
- Reports on the cash flows, debt and debt-equity ratio, plus other relevant key figures for the Group on a quarterly basis.
- Qualitative assessments of the segments on a quarterly basis.
- Reports of the external audit for the full-year results and procedures performed on the half-year results (through the Audit and Compliance Committee).
- In cases involving extraordinary events of considerable commercial relevance, the Board of Directors receives direct, immediate information.
- Risk assessment reports submitted at least once per year; they are designed to provide the Board with a consistent, Group-wide perspective of key risks.

Internal Audit

The Board of Directors, through the Audit and Compliance Committee, is supported by Lonza Audit Services. The Lonza Audit Services group comprises 12 internal audit positions, reviewing financial, operational and information technology-related activities of the entire Lonza Group with a risk-based audit program.

They continually evaluate the adequacy and effectiveness of the system of internal controls as well as compliance with company policies and procedures, and they recommend appropriate actions to correct deficiencies identified. In 2018, they delivered 28 internal audit reports to the Audit and Compliance Committee.

Internal Control System

Lonza has a system of internal financial and accounting policies, procedures and controls to provide a reasonable assurance – given the inherent limitations of all internal control systems to be implemented at an appropriate cost – that transactions are executed in accordance with company authorization, that they are properly recorded and reported in the financial statements, and that assets are properly safeguarded.
Compliance Instruments

In addition to the above-mentioned control instruments, Lonza has implemented various other measures to improve compliance within the Group. The implementation of these measures is supervised by the Audit and Compliance Committee. One of these measures is the issuance of a Code of Conduct that expresses Lonza’s core principles and values in regard to professional business behavior. It also provides assistance in recognizing, understanding and complying with the laws and ethical standards that govern Lonza’s business activities.

The Code of Conduct is available to all employees and information about it has been widely circulated within the Group. Lonza employees have to pass iComply tests in online training courses, dealing with topics such as those addressed by the Code of Conduct, in particular antibribery, competition law, and conflicts of interest. In addition to these measures, Lonza offers a «whistleblower» hotline (known as «Lonza Ethics Hotline»), which is operated by an external company. Cases disclosed through the «whistleblower» hotline are ultimately reported to the Audit and Compliance Committee. Lonza periodically reviews and updates its policies to address changes in laws and regulations and strengthen compliance.

Risk Assessment

The Board of Directors carries out risk assessments at least on an annual basis. The objective of the risk assessments is to make the principal risks to which Lonza is exposed more transparent and to improve risk mitigation. In its risk assessment for 2018, the Board of Directors of Lonza identified inter alia cybersecurity, commercial and operational risks for which corresponding risk mitigation measures have been adopted.

For more details on risk management policy, financial risks (credit, liquidity and market risks) and enterprise risk management, please refer to financial note 29 and note 31 of the Consolidated Financial Statements.
Albert M. Baehny

Albert M. Baehny, a Swiss citizen, holds a degree in biology from the University of Fribourg (CH).

Chairperson of the Board of Directors of Lonza Group Ltd (since 2018)
Member of the Board of Directors (since April 2017)

Current Activities and Functions
Public Company Boards:
• Member of the Board of Investis Group Holding SA (since 2016)
• Chairman of the Board of Directors of Geberit (since 2011)

Former Activities and Functions
• CEO of Geberit Group (2005–2014)
• Head of Group Division Marketing and Sales Europe for Geberit Group (2003–2004)
• Senior Vice-President at Wacker Chemie AG (2001–2002)
• Various Marketing, Sales, Strategic Planning and Global Management Positions with:
  • Vantico (2000–2001)
  • Ciba-Geigy / Ciba Specialty Chemicals (1994–2000)
  • Dow Chemicals Europe (1981–1993)
  • Serono-Hypolab (1979–1981)
Patrick Aebischer

Patrick Aebischer holds a doctorate in medicine from the University of Geneva (CH). He has received numerous honors, including the Robert Bing Prize of the Swiss Academy of Medicine and the Pfizer Foundation Prize for Clinical Neurosciences.

Member of the Board of Directors of Lonza Group Ltd (since March 2008), Vice-Chairperson

Current Activities and Functions

Public Company Boards:

• Member of the Board of Directors of Logitech SA (since 2016)
• Member of the Board of Directors of Nestlé SA (since 2015)

Further Appointments:

• Senior Partner of NanoDimension Management Limited (since 2017)
• Senate member of the Deutsches Zentrum für Neurodegenerative Erkrankungen (DZNE) (since 2016)
• Scientific technical committee member of the Italian Institute of Technology (since 2015)
• Chairman of the Board of the Novartis Venture Fund (since 2014)
• Member of the Singapore Biomedical Sciences International Advisory Council (since 2013)
• Chairman of the Board of Amazentis SA (since 2007)
• Professor of Neurosciences, Swiss Federal Institute of Technology Lausanne (EPFL) (since 2000)

Former Activities and Functions

• Representative of the EPFL on the boards of various Swiss foundations
• President of the Swiss Federal Institute of Technology of Lausanne (EPFL) (2000–2016)
• Member of the Foundation Board of the World Economic Forum (2013–2016)
Werner Bauer

Werner Bauer holds a diploma and PhD in chemical engineering from the University of Erlangen-Nürnberg (DE). He has received several scientific honors, including the BioAlps Award 2011 and Honorary Senator from the Technical University of Munich (DE).

Member of the Board of Directors of Lonza Group Ltd (since April 2013)

**Current Activities and Functions**

Public Company Boards:
- Vice-Chairman of the Board of Directors of Givaudan SA (since 2014)

Further Appointments:
- Vice-Chairman of the Supervisory Board of Bertelsmann SE & Co. KGaA (since 2012) and Chairman of the Board of Trustees of the Bertelsmann Foundation (since 2011)
- Member of the Supervisory Board of SIG Combibloc Group AG (since 2018)

**Former Activities and Functions**

- Member of the Supervisory Board of GEA Group AG (2011–2018)
- Chairman of the Supervisory Board of Nestlé Deutschland AG (2007–2017)
- Executive Vice-President of Nestlé SA, Head of Innovation, Technology, Research and Development (2007–2013)
- Executive Vice-President of Nestlé SA, Head of Technical, Production, Environment, Research & Development (2002–2007)
- Various managerial positions of increasing responsibility at Nestlé (1990–2002)
- Chairman of the Board of Directors of Galderma Pharma SA (2011–2014)
- Member of the Board of Directors of L’OREAL, France (2005–2012)
- Member of the Board of Directors of Alcon Inc., Switzerland (2002–2010)
- Director of the Fraunhofer Institute for Food Technology & Packaging and Professor in Bioprocess Technology at Technical University Munich (1985–1990)
- Professor of Chemical Engineering at the Technical University of Hamburg (1980–1985)
Angelica Kohlmann

Angelica Kohlmann, a German-Brazilian citizen, holds a MD and doctorate in medicine from Hamburg University (DE).

Member of the Board of Directors of Lonza Group Ltd (since May 2018)

Current Activities and Functions
(No Public Company Boards)
• Member International Advisory Board IE University and Business School, Madrid (since 2017)
• Chairman Board of Directors, Bloom Diagnostics AG (since 2014)
• Chairman Board of Directors, Kohlmann & Co AG (since 2013)
• International investor in biotech and tech, based in Switzerland (since 2014)
• Board Observer Teralytics AG (since 2017)
• Chairman Advisory Board Peter Drucker Society Europe / Global Peter Drucker Forum, Vienna (since 2009)

Former Activities and Functions
• Member Advisory Board UBS Unique (2017–2018)
• Director Trinnacle Fund Ltd (2016–2017)
• Member Board of Directors Teralytics AG (2013–2016)
• International investor in biotech and tech, based in Germany (2000–2013)
• International consultant for strategy, management, investments and restructuring (1992–1999)
• Head global restructuring Behringwerke AG, Germany (1990–1992)
• Member Board Staff Hoechst AG, Germany (1988–1990)
• International Marketing Group Leader at Behringwerke AG (1986–1988)
• MD Anderson Cancer Center, Houston and Memorial Sloan Kettering Cancer Center, New York, USA – various cancer research functions
Christoph Mäder

Christoph Mäder holds a Master’s degree in law from the University of Basel (CH) and is admitted to the Swiss Bar.

Member of the Board of Directors of Lonza Group Ltd (since April 2016)

Current Activities and Functions
Public Company Boards:
• Member of the Board of EMS Chemie Holding AG (since 2018)

Further Appointments:
• Member of the Board Committee of economiesuisse (since 2017)
• Member of the Council of Schweizer Jugend forscht (since 2018)

Former Activities and Functions
• Member of the Group of Executive Committee of Syngenta (2000–2018)
• Vice-Chairman of economiesuisse (2011–2017)
• Member of the Executive Board of the Business and Industry Advisory Committee (BIAC) for the Organization for Economic Co-operation and Development (OECD) (2012–2016)
• Head of Legal & Public Affairs for Novartis Crop Protection AG (1999–2000)
• Senior Corporate Counsel for Novartis International AG (1992–1998)
• Member of the Board of scienceindustries (since 2003)
• Member of the Board of the Basel Chamber of Commerce (since 2002)
Barbara Richmond

Barbara Richmond holds a first-class degree in management science from the University of Manchester Institute of Science and Technology in England. Barbara Richmond has substantial knowledge as a financial expert, demonstrated by her roles as CFO for various companies. She is a Fellow of the Institute of Chartered Accountants in England and Wales.

Member of the Board of Directors of Lonza Group Ltd (since April 2014)

Current Activities and Functions
Public Company Boards:
• Group CFO of Redrow plc (since 2010)

Former Activities and Functions
• Group CFO of Inchcape plc (2006–2009)
• Non-Executive Director and Audit Committee Chair of Scarborough Building Society until its merger with The Skipton Building Society (2005–2009)
• Non-Executive Director, Senior Independent Director and Audit Committee Chair of Carclo Group plc (2000–2006)
• Group CFO of Croda International plc (1997–2006) with dual role as Group CFO and President of Active Ingredients and Industrial Chemicals from 2002 to 2006
• Various financial roles in Alstom Group SA (1987–1992)
• Auditor and management consultant for Arthur Andersen (1981–1984)
Margot Scheltema

Margot Scheltema holds a doctorate in international law from the University of Amsterdam and a master of international affairs (MIA) from Columbia University in New York, NY (USA). Margot Scheltema has substantial knowledge as a finance, corporate governance and risk management expert, demonstrated by her operative roles in finance and management and supervisory roles in the financial sector (bank, central bank, insurance and pension funds).

Member of the Board of Directors of Lonza Group Ltd (since April 2012)

Current Activities and Functions
(No Public Company Boards)
• NEDAP (NE Director) NV (since 2018)
• Vice-chair of the Supervisory Board of the Dutch Central Bank (since 2015) (financial institution)
• Member of the Central Plan Committee Dutch Planning Bureau (since 2014)
• Chair of the Monitoring Committee of the Dutch Pension Fund Code (since 2014)
• Council to the Enterprise Chamber of the Amsterdam Court of Appeal (since 2013)
• Member of the Supervisory Board of Warmtebedrijf Rotterdam (since 2011)
• Member of the Supervisory Board of TNT Express (since 2011)

Former Activities and Functions
• Vice-Chair of the Supervisory Board of Triodos Bank (2006–2015)
• Member of the Supervisory Board of ASR NV (2008–2015)
• External Member of the Audit Committee of the Dutch pension fund ABP (2010 to July 2014) (financial institution)
• Member of the Supervisory Board of the Rijksmuseum (2007–2015)
• Member of the AFM External Reporting Committee (2006–2012)
• Finance Director of Shell Nederland BV (2004–2008)
• Various managerial positions in finance within the Shell Group (1985–2004) including Senior M&A Adviser for Shell Oil Products Latin America
Jürgen Steinemann

Jürgen Steinemann holds a degree in economics and business management from the European Business School in Wiesbaden (DE), London (UK) and Paris (FR).

Member of the Board of Directors of Lonza Group Ltd (since April 2014)

**Current Activities and Functions**

**Public Company Boards:**
- Member of the Board of Directors of Barry Callebaut AG (since 2015)
- Chairman of the Supervisory Board of Metro AG (since 2015)

**Further Appointments:**
- Investor in food and agro businesses
- Managing Director of JBS Holding GmbH (since 2017)
- Chairman of the Supervisory Board of Bankiva B.V. (since 2017)
- Member of the Advisory Board of Tower Brook Capital Partners LP (since 2017)
- Member of the Supervisory Board of Big Dutchman AG (since 2015)

**Former Activities and Functions**
- Chief Executive Officer of Barry Callebaut Ltd (2009–2015)
- Member of the Board of the Swiss-American Chamber of Commerce (2011–2015)
- Member of the Executive Board and Chief Operating Officer of Nutreco (2001–2009)
- Chief Executive Officer of Loders Croklaan (1999–2001)
- Various senior positions in business-to-business marketing and sales with the former Eridania Bégin-Say Group, ultimately in the «Corporate Plan et Stratégie» unit at the head office in Paris (1990–1998)
Antonio Trius

Antonio Trius holds a Bachelor’s degree in organic chemistry from the University of Barcelona (ES), a PhD in chemistry from the Autonomous University of Barcelona and a PDD in business administration from the IESE Barcelona. Antonio Trius has substantial knowledge in the operational and financial management and supervision of companies in the chemical and pharmaceutical industry.

Member of the Board of Directors of Lonza Group Ltd (since April 2013)

Current Activities and Functions
(No Public Company Boards)
• Member of the Advisory Board of Naturally Scientific Technologies Ltd (since 2017)
• Member of the Board of Directors of Cuantum Medical Cosmetics SL (since 2015)
• Member of the Board of Directors of MaxamCorp Holding SL (since 2014)
• Member of the Board of Directors of Azelis SA (since 2014)
• Member of the Supervisory Board of Altana AG (since 2012)

Former Activities and Functions
• Member of the Board of Directors of Mauser Group BV (2015–2017)
• Member of the Board of Directors of Nubiola SL (2011–2015)
• CEO of Cognis GmbH (2001–2010)
• Executive Vice-President Care Chemicals North America Cognis BV (1999–2001)
• Vice-President Care Chemicals at Henkel KGa A (1997–1999)
Olivier Verscheure

Olivier Verscheure holds a PhD in computer science from the Swiss Federal Institute of Technology, Lausanne (CH) (EPFL, July 1999).

Member of the Board of Directors of Lonza Group Ltd (since May 2018)

Current Activities and Functions
(No Public Company Boards)
• Expert in the Strategy Working Group on Data, Computing and Digital Research Infrastructures in the State Secretariat for Education, Research and Innovation (SERI) (since 2019)
• Executive Director of the Swiss Data Science Center, a joint venture between EPFL and ETH Zürich (since 2016)
• Member of the Executive Committee of Personalized Health and Related Technologies (PHRT), an ETH Domain Strategic Focus Area (since 2017)
• Co-academic Director, Certificate of Advanced Studies (CAS), Data Science and Management, HEC Lausanne and EPFL (since 2018)

Former Activities and Functions
• Lab Program Director and Senior Research Manager at IBM Research Ireland (2010–2016)
• Research Manager and Senior Member of the Research Staff at the IBM T.J. Watson Research Center (1999–2010)
Executive Committee

The members of the Executive Committee are appointed by the Board of Directors. Lonza's Executive Committee performs the duties assigned to it by the Board of Directors under the terms of the Regulations Governing Internal Organization and Board Committees. It is responsible for managing Lonza worldwide and for implementing policies and strategies as defined by the Board of Directors. The Executive Committee supports and coordinates the activities of the segments, the corporate functions and the global business service organization. The Executive Committee is also responsible for leadership development.

Members of the Executive Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Nationality</th>
<th>Year of Birth</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Ridinger</td>
<td>German</td>
<td>1958</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Rodolfo Savitzky</td>
<td>Swiss</td>
<td>1962</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Marc Funk</td>
<td>Swiss</td>
<td>1960</td>
<td>Chief Operating Officer Pharma &amp; Biotech Segment</td>
</tr>
<tr>
<td>Sven Abend</td>
<td>German</td>
<td>1968</td>
<td>Chief Operating Officer Specialty Ingredients Segment</td>
</tr>
<tr>
<td>Fridtjof Helemann</td>
<td>German</td>
<td>1954</td>
<td>Chief Human Resources Officer</td>
</tr>
</tbody>
</table>

Limitation of Number of Mandates

According to Article 26 of the Lonza Articles of Association, no member of the Executive Committee may hold more than:

- One additional mandate in a listed company;
- Two additional mandates in non-listed companies;
- Five mandates held at the request of Lonza or companies controlled by it;
- Ten mandates in associations, charitable foundations, trusts and employee welfare foundations.

Mandates shall mean mandates in the supreme governing body of a legal entity that is required to be registered in the commercial register or a comparable foreign register. Mandates in different legal entities that are under joint control or in the same beneficial ownership are deemed to be a single mandate. Mandates in companies that are controlled by Lonza or that control Lonza are not subject to the limitation set forth above.

Management Contracts

Lonza Group Ltd has not entered into management contracts with companies or natural persons not belonging to the Group.
Richard Ridinger

Richard Ridinger holds a degree in chemical engineering from the University of Karlsruhe (DE).

Chief Executive Officer (CEO) and Member of the Executive Committee (since May 2012)

Current Activities and Functions
• Member of the Board of Directors of Firmenich International SA (since October 2016)

Former Activities and Functions
• Transfer and integration of Cognis GmbH into BASF (2011)
• Member of the Management Board and Executive Vice-President «Care Chemicals» of Cognis GmbH (2006–2010)
• SBU Head of «Cognis Care Chemicals» and member of the Cognis Executive Committee (2002–2006)
• Vice-President of the global «Care Chemicals Specialties» business of Cognis GmbH (2000–2002)
• Director of the global Skin Care Ingredients business at Henkel KGaA / Cognis GmbH (1999–2000)
• Various positions at Henkel KGaA in R&D, Engineering and Production Management (1986–1999)
Rodolfo Savitzky

Rodolfo Savitzky holds a degree in industrial and systems engineering from the Monterrey Institute of Technology and an MBA in finance and economics from the University of Chicago, IL (USA).

Chief Financial Officer (CFO) and Member of the Executive Committee (since October 2016)

**Former Activities and Functions**

- Vice-President, Controller Lonza Pharma & Biotech (2015–2016)
- Business Unit Head of Finance Novartis Animal Health (2006–2011)
- Head of Strategy Planning and Analysis, Novartis Pharmaceuticals (2004–2005)
- Head of Business Planning and Analysis, Novartis Pharmaceuticals (2003–2004)
- Various positions at Procter & Gamble (1990–2001)

Marc Funk

Marc Funk holds a Master of Law from the University of Geneva (CH) and a Master of Law and Diplomacy from the Fletcher School - Tufts University, MA (USA).

Chief Operating Officer (COO) Pharma & Biotech Segment (since May 2014) and Member of the Executive Committee (since April 2012)

**Former Activities and Functions**

- Group General Counsel and Board Secretary Lonza Group Ltd (2009–2014)
- Associate General Counsel of Merck Serono (formerly Serono) (2004–2008)
Sven Abend

Sven Abend holds a PhD in chemistry from the Christian-Albrechts-Universität in Kiel and a post-doctorate from the Department of Physics & Astronomy at the University of New York in Stony Brook, NY (USA).

Chief Operating Officer (COO) Specialty Ingredients Segment (since January 2016) and Member of the Executive Committee (since July 2014)

Former Activities and Functions
- CEO of Kolb Ltd in Hedingen (CH) (2012–2014)
- Business Manager for Kolb’s divisions focusing on specialty surfactants and custom manufacturing (2010–2012)
- Several senior positions in Global Product Management and ultimately as Director of Corporate Key Account Management at Cognis GmbH in Germany (2003–2010)

Fridtjof Helemann

Fridtjof Helemann holds a degree in engineering from the University of Siegen (DE).

Chief Human Resource Officer (CHRO) (since 2016) and Member of the Executive Committee (since February 2017)

Former Activities and Functions
- Managing Partner and President of Oxford Leadership (2014–2016)
- Partner and CEO Mercer Inc. Central Europe (2011–2014)
- Vice-President and General Manager Central and Eastern Europe at Right Management (2010–2011)
- Corporate Vice-President HR Henkel AG (2003–2009)
- Various HR consulting roles: Partner Hay Group and MD Kienbaum
Compensation, Shareholdings and Loans

Details of Board and Executive Committee compensation are contained in the Remuneration Report.

Shareholders’ Participation Rights

Voting-Rights Restrictions and Representation

Only persons with valid entries in the share register are recognized as shareholders or usufructuaries. A shareholder may only be represented at the Annual General Meeting by a legal representative, another shareholder entitled to vote or the independent proxy. Persons who do not declare to have acquired their shares in their own name and for their own account are considered «nominees» and will only be entered with voting rights in the share register up to a maximum of 2% of the share capital, unless the actually entitled persons are revealed. The details are set out in Article 6 of the Lonza Articles of Association. This restriction may only be removed by a resolution of a Shareholders’ Meeting with a quorum in accordance with Swiss law.

Each share has the right to one vote. The shares held by Lonza are not entitled to vote at the Annual General Meeting and bear no dividend.

Lonza may use an electronic voting system for all the resolutions to be taken at its Annual General Meetings. The Lonza Articles of Association do not contain any other rules on electronic participation in the Shareholders’ Meeting, nor specific rules on the issue of instructions to the independent proxy.
Statutory Quora

Except as otherwise stipulated by law, an absolute majority of the votes represented at the Annual General Meeting is required for resolutions and elections.

For certain important matters such as a change of the company purpose and domicile, the dissolution of the company without liquidation, and certain matters relating to capital changes, Article 704 of the Swiss Code of Obligations requires at least two-thirds of the voting rights represented and an absolute majority of the nominal value of shares represented.

Convocation of Shareholders’ Meetings

Ordinary Shareholders’ Meetings are called in accordance with the law and the Lonza Articles of Association. Extraordinary Shareholders’ Meetings must be called upon resolution of a Shareholders’ Meeting or if demanded by one or more shareholders representing at least 5% of the share capital. Lonza posts the invitation to shareholders at least 20 days before the Annual General Meeting and publishes it on its website, as well as in the Swiss Official Gazette of Commerce.

Agenda

One or more shareholders representing together shares with a par value of CHF 100,000 may request an item to be included in the agenda of a Shareholders’ Meeting. The request to include an item must be submitted in writing at least 40 days before the meeting, stating the item to be included and the motions.

Entry in the Share Register

Purchasers of Lonza shares may submit a request to be entered, without limitation, as shareholders with voting rights in the share register, provided they expressly declare that they have acquired these shares in their own name and on their own account. Special rules exist for persons who do not expressly declare in the entry application that they hold the shares on their own account (nominees) (see Limitations on Transferability and Nominee Registrations).

There are no special rules in the Lonza Articles of Association concerning a deadline for entry in the share register. The share register will this year be closed on 4 April 2019 at 5:00pm CEST.
Changes of Control and Defense Measures

Duty to Make an Offer

According to the Swiss Federal Act on Financial Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA), an investor who acquires more than 33¹/₃% of all voting rights (directly, indirectly or in concert with third parties) whether they are exercisable or not, is required to submit a takeover offer for all shares outstanding. No special opting-out or opting-up dispositions are contained in the Lonza Articles of Association.

Clauses on Change of Control

The employment agreements of the Executive Committee members contain certain clauses on change of control, which are outlined in the Compensation of the Executive Committee section of the Remuneration Report. In addition, Lonza’s share-based compensation programs - Extended Short-Term Incentive Plan (E-STIP) and Long-Term Incentive (LTIP) provide that unvested awards / blocked shares unconditionally vest upon change of control (see Compensation of the Executive Committee section of the Remuneration Report).
Auditors

Duration of the Mandate and Term of Office of the Auditor in Charge

The Auditor in Charge, KPMG Ltd, Badenerstrasse 172, 8026 Zurich 4, Switzerland, has held the mandate as the external statutory auditors of Lonza Group Ltd and the Group since 1999.

The auditing company is elected for a term of one year. Michael Blume from KPMG Ltd has been the auditor in charge since April 2014. The Board of Directors proposes that KPMG Ltd be re-elected as auditors for the 2019 business year.

Auditing Honorarium

Lonza Group paid KPMG Ltd CHF 6.9 million in 2018 (2017: CHF 5.3 million) for professional services rendered in connection with the audit of the Group’s annual financial statements and other audit-related activities.

Additional Honorarium

KPMG Ltd received a total fee of CHF 0.1 million in 2018 (2017: CHF 0.1 million) for services not related to the audit of the Group’s annual financial statements. These services related to tax and other consulting.

Supervisory and Control Instruments vis-à-vis the Auditors

The Audit and Compliance Committee is responsible for evaluating the performance and independence of the external auditors on behalf of the Board of Directors. This evaluation occurs at least once a year. The criteria applied for the assessment include professional competence, sufficiency of resources, the ability to provide effective and practical recommendations and coordination of the external auditors with the Audit and Compliance Committee and senior management. In the reporting year, KPMG Ltd attended six Audit and Compliance meetings. In those meetings, the external auditors presented the 2018 audit strategy and their 2018 results. The Comprehensive Auditor’s Report to the Board of Directors prepared by KPMG summarizes the reports presented to the Audit and Compliance Committee throughout the year.
Within the yearly approved budget, there is an amount permissible for non-audit services that the external auditors may perform. Within the scope of the approved and budgeted amount, the Chief Financial Officer can delegate non-audit-related mandates to the external auditors, subject to all applicable auditor independence regulations.

The Board of Directors has determined the rotation interval for the auditor in charge to be seven years, as defined by the Swiss Code of Obligations.

The Audit and Compliance Committee reviews Lonza’s financial reporting process on behalf of the Board of Directors. Lonza’s management is responsible for preparing the financial statements and the reporting process, including the system of internal controls. The Audit and Compliance Committee is also responsible for overseeing the conduct of the activities by Lonza management and the external auditors.

The external auditor, KPMG Ltd, is responsible for expressing an opinion on the accounting records and the financial statements prepared in accordance with Swiss law and the Lonza Articles of Association. KPMG Ltd is also responsible for expressing an opinion on the consolidated financial statements (balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes) prepared in accordance with the International Financial Reporting Standards (IFRS), which is issued by the International Accounting Standards Board (IASB), and with Swiss law.

KPMG also audited the Lonza Remuneration Report 2018 with respect to the information required by Articles 14 to 16 of the Swiss Ordinance Against Excessive Compensation in Stock-Exchange-Listed Companies.
Information Policy and Key Reporting Dates

Lonza pursues a proactive and professional communication policy. Lonza publishes price-sensitive information in accordance with the obligation to disclose price-sensitive facts as required by the SIX Swiss Exchange. Ad hoc notices are made available on its news site. Lonza’s website also provides a news and subscription service that allows interested parties to receive, via e-mail distribution, free and timely notification of price-sensitive facts.

Corporate Communications reports directly to the Chief Human Resources Officer, while Investor Relations reports to the Chief Financial Officer. On basic matters of general corporate policy, Corporate Communications receives its directives from the Executive Committee. Lonza makes the Annual Report, the Half-Year Results and Full-Year Results available to all interested parties as a PDF download. The invitation to the Annual General Meeting is published on Lonza’s website and in the Swiss Official Gazette of Commerce. It is also sent by mail to the shareholders entered in the share register.

Lonza’s website is regularly updated and provides relevant information such as share-price development, news releases and presentations. Media conferences and analyst meetings generally take place at Lonza’s headquarters or by conference call. Lonza manages an annual program of investor meetings. Shareholders, potential investors and financial analysts are also welcomed at Lonza’s headquarters in Basel, Switzerland.

Anticipated Key Reporting Dates

The list of all corporate events of special interest is subject to change during the year as dates are adjusted and added. Updated information is found on the Investor Relations page of Lonza’s website.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 April 2019, 5:00 pm CEST</td>
<td>Closing of the Share Register</td>
</tr>
<tr>
<td>18 April 2019, 10:00 am CEST</td>
<td>Annual General Meeting for the Financial Year 2018 Congress Center Basel, Switzerland</td>
</tr>
<tr>
<td>18 April 2019</td>
<td>Q1 2019 Qualitative Business Update</td>
</tr>
<tr>
<td>24 April 2019</td>
<td>Ex-Dividend Date</td>
</tr>
<tr>
<td>25 April 2019</td>
<td>Record-Dividend Date</td>
</tr>
<tr>
<td>26 April 2019</td>
<td>Dividend-Payment Date</td>
</tr>
<tr>
<td>24 July 2019</td>
<td>Half-Year Results 2019</td>
</tr>
<tr>
<td>28 April 2020, 10:00 am CEST</td>
<td>Annual General Meeting for the Financial Year 2019 Congress Center Basel, Switzerland</td>
</tr>
</tbody>
</table>
Lonza Forward Looking Statements
Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words «outlook,» «guidance,» «believes,» «plans,» «anticipates,» «expects,» «estimates» and similar expressions) should be considered to be forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the timing and strength of new product offerings; pricing strategies of competitors; the company's ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; difficulty to maintain relationships with employees, customers and other business partners; and changes in the political, social and regulatory framework in which the company operates, or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis. In particular, the assumptions underlying the Outlook 2019 and Mid-Term Guidance 2022 herein may not prove to be correct. The statements in the section on Outlook 2019 and Mid-Term Guidance 2022 constitute forward-looking statements and are not guarantees of future financial performance. Lonza's actual results of operations could deviate materially from those set forth in the section on Outlook 2019 and Mid-Term Guidance 2022 as a result of the factors described above or other factors. Investors should not place undue reliance on the statements in the section on Outlook 2019 and MidTerm Guidance 2022. Except as otherwise required by law, Lonza disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after this report was published.

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