

On December 12, 2020, AstraZeneca, Delta Omega Sub Holdings Inc., a Delaware corporation and a wholly owned subsidiary of AstraZeneca ("Bidco"), Delta Omega Sub Holdings Inc. 1, a Delaware corporation and a direct, wholly owned subsidiary of Bidco ("Merger Sub I") and Delta Omega Sub Holdings LLC 2, a Delaware limited liability company and a direct, wholly owned subsidiary of Bidco ("Merger Sub II") entered into an Agreement and Plan of Merger (the "Merger Agreement") with Alexion. The Merger Agreement provides, among other things, that subject to the satisfaction or waiver of the conditions set forth therein (1) Merger Sub I will merge with and into Alexion (the "First Merger"), with Alexion surviving the First Merger as a wholly owned subsidiary of Bidco, and (2) immediately following the effective time of the First Merger (the "Effective Time"), Alexion will merge with and into Merger Sub II (the "Second Merger" and, together with the First Merger, the "Mergers"), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Bidco and an indirect wholly owned subsidiary of AstraZeneca.

Under the Merger Agreement, at the Effective Time (as defined in the Merger Agreement), each share of common stock, par value \$0.0001 per share, of Alexion issued and outstanding immediately prior to the Effective Time (other than certain excluded shares as described in the Merger Agreement) was converted into the right to receive (1) 2.1243 American depositary shares of AstraZeneca (or, at the election of the holder thereof, a number of ordinary shares of AstraZeneca equal to the number of underlying ordinary shares represented by such American depositary shares) and (2) \$60.00 in cash, without interest.

#### **D. Exchange Controls**

The information set forth under the headings "Additional Information—Shareholder Information—Exchange controls and other limitations affecting security holders" on page 212 of AstraZeneca's "Annual Report and Form 20-F Information 2021" included as exhibit 15.1 to this Form 20-F dated February 22, 2022 is incorporated by reference.

#### **E. Taxation**

##### *Taxation for US persons*

The following is a summary of material UK and US federal income tax consequences of ownership of Ordinary Shares or ADRs held as capital assets by the US holders described below. This summary is based on current UK and US federal income tax law, including the current US/UK double taxation convention. This summary does not describe all of the tax consequences that may be relevant in light of the US holders' particular circumstances (including the US Medicare contribution tax or the US alternative minimum tax) and tax consequences applicable to US holders subject to special rules. US holders and any holders who may be subject to tax in the US or the UK are urged to consult their tax advisers regarding the UK and US federal income tax consequences of the ownership and disposition of Ordinary Shares or ADRs in their particular circumstances.

This summary is based in part on representations of the depositary for ADRs and assumes that each obligation in the deposit agreement among the Company and the depositary and the holders from time to time of ADRs and any related agreements will be performed in accordance with its terms. For the purposes of this summary, the term 'US holder' means a beneficial owner of Ordinary Shares or ADRs that is, for US federal income tax purposes, an individual, a corporation or an estate or trust that, in each case, is treated as a US person.

For US federal income tax purposes, a holder of ADRs generally will be treated as the owner of the underlying Ordinary Shares. Accordingly, deposits or withdrawals of Ordinary Shares for ADRs will not be subject to US federal income tax.

##### *UK and US income taxation of dividends*

The UK does not currently impose a withholding tax on dividends paid by a UK company, such as the Company. Shareholders resident outside the UK will otherwise commonly not be subject to UK taxation on dividend income but should consult their own tax adviser.

For US federal income tax purposes, distributions paid by the Company to a US holder are generally included in gross income as foreign source ordinary dividend income when actually or constructively received. For any dividend paid in a foreign currency, the amount of the dividend will, in the case of ADRs, be the US dollar value of the foreign currency payment received by the depositary determined at the spot rate of the relevant foreign currency on the date the dividend is received by the depositary (or, in the case of Ordinary Shares, the US dollar value of the foreign currency payment received by the US holders, determined at the spot rate of the relevant foreign currency on the date the dividend is received by the US holders, regardless of whether the dividend is converted into US dollars). Dividends will not be eligible for the dividends received deduction generally available to US corporations.

If the dividend is converted into US dollars on the date of receipt, US holders of Ordinary Shares generally should not be required to recognise foreign currency gains or losses in respect of the dividend income. They may have foreign currency gain or loss (which would be US source and taxable at the rates applicable to ordinary income) if the amount of such dividend is converted into US dollars after the date of its receipt.

Subject to applicable limitations, dividends received by certain non-corporate US holders of Ordinary Shares or ADRs may be taxable at favourable US federal income tax rates. US holders should consult their own tax advisers to determine whether they are subject to any special rules which may limit their ability to be taxed at these favourable rates.

#### *Taxation on capital gains*

Under present English law, individuals or companies who are not resident in the UK will generally not be liable for UK tax on capital gains made on the disposal of their Ordinary Shares or ADRs, unless such Ordinary Shares or ADRs are used, held or acquired in connection with a trade, profession or vocation carried on in the UK through a branch or agency or other permanent establishment.

For US federal income tax purposes, a US source capital gains or losses on the sale or exchange of Ordinary Shares or ADRs in an amount equal to the difference between the US dollar amount realised and such holder's US dollar tax basis in the Ordinary Shares or ADRs. US holders should consult their own tax advisers about the treatment of capital gains, which may be taxed at lower rates than ordinary income for non-corporate US holders, and capital losses, the deductibility of which may be subject to limitations.

#### *Passive Foreign Investment Company (PFIC) rules*

We believe that we were not a PFIC for US federal income tax purposes for the year ended 31 December 2021. However, since PFIC status depends on the composition of our income and assets, and the market value of our assets, from time to time, there can be no assurance that we will not be considered a PFIC for any taxable year. If we were treated as a PFIC, certain adverse tax consequences could apply to US holders.

#### *Information reporting and backup withholding*

Payments of dividends and sales proceeds that are made within the US or through certain US-related financial intermediaries may be subject to information reporting and backup withholding, unless, the US holder is an exempt recipient or in the case of backup withholding, the US holder provides its taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a US holder will be allowed as a credit against the holder's US federal income tax liability and may entitle the holder to a refund, provided that the required information is timely supplied to the US Internal Revenue Service.

Certain US holders who are individuals (or certain specified entities) may be required to report information relating to securities issued by non-US persons (or foreign accounts through which the securities are held), subject to certain exceptions (including an exception for securities held in accounts maintained by US financial institutions). US holders should consult their tax advisers regarding their reporting obligations.

#### *UK inheritance tax*

Ordinary Shares or ADRs held by an individual who is domiciled in the US for the purposes of the United States - United Kingdom Double Taxation Convention relating to estate and gift taxes (the Estate Tax Convention), and who is not for such purposes a national of the UK, will generally not be subject to UK inheritance tax on the individual's death or on a lifetime transfer of the Ordinary Shares or ADRs, provided that any applicable US federal gift or estate tax liability is paid, except in certain cases where the Ordinary Shares or ADRs: (i) are comprised in a settlement (unless, at the time of the settlement, the settlor was domiciled in the US and not a national of the UK); (ii) are part of the business property of a UK permanent establishment of an enterprise; or (iii) pertain to a UK fixed base of an individual used for the performance of independent personal services. In the exceptional case where the Ordinary Shares or ADRs are subject to both UK inheritance tax and US federal gift or estate tax, the Estate Tax Convention generally provides for double taxation to be relieved by means of credit relief.

#### *UK stamp duty reserve tax and stamp duty*

A charge to UK stamp duty or UK stamp duty reserve tax (SDRT) may arise on the deposit of Ordinary Shares in connection with the creation of ADRs. The rate of stamp duty or SDRT will generally be 1.5% of the value of the consideration or, in some circumstances, the value of the Ordinary Shares. Under current HMRC practice, this charge will not be applied on the issue (or, where it is integral to the raising of new capital, the transfer) of Ordinary Shares into the ADR arrangement.

Transfers of Ordinary Shares into CREST will generally not be subject to stamp duty or SDRT, unless such a transfer is made for a consideration in money or money's worth, in which case a liability to stamp duty or SDRT will arise, usually at the rate of 0.5% of the value of the consideration.