



**This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisor immediately.**

GlaxoSmithKline plc  
980 Great West Road  
Brentford  
Middlesex  
TW8 9GS

**26th March 2004**

To the holders of the company's Ordinary Shares and American Depositary Shares and, for information, to the holders of the SmithKline Beecham plc Loan Stock.

**Dear Shareholder,**

### **Annual General Meeting 2004**

Prior to our AGM I thought it would be helpful to provide you with some background on governance matters affecting your company.

As a result of the Higgs Report, now embodied in the New Combined Code on Corporate Governance, and the adverse vote on the Remuneration Report at last year's AGM, the Board devoted significant attention to governance issues during 2003.

Following the 2003 AGM, extensive consultations with regard to both governance and remuneration were held with GSK's leading shareholders. The Board had already engaged Deloitte & Touche to provide it with external professional advice on remuneration policy. In August it also engaged professional advisors to provide ongoing help with Board appraisal and development.

### **Remuneration**

The Remuneration Report, which is the subject of Resolution 2, embodies the results of the Board's thorough review of remuneration policy. The thrust of the revised policy is to reward performance and eliminate what might be deemed 'payment for failure'. This policy has resulted in significant voluntary changes to the contracts of the Executive Directors and the senior executive group; and I thank the executive, particularly Dr Garnier and John Coombe, for their help in working with the Board's Non-Executive Directors to determine what was in the best interests of GSK, and acting accordingly.

After the very full consultation with shareholders in June and July, the Board decided the changes in remuneration policy that would best bridge the gap between the views of shareholders and the competitive needs of the business. These were announced in December and are outlined in the Remuneration Report.

Since then we have held further discussions with shareholders to ascertain if and where there still exist points of difference. We had always recognised that, due to GSK's transatlantic straddle, some would remain. However, the recent discussions have confirmed that we have moved substantially towards compliance with shareholders' guidelines. They have also, I hope, engendered trust that we will continue to listen to shareholders; and that we are committed to timely and appropriate consultation hereafter in order to avoid the differences of view which we have had to resolve in 2003.

## continued

### Governance

In addition to the moves on remuneration, the Board has made governance changes to accommodate the views expressed by shareholders. These are outlined in the governance section of the Annual Report and include changes in the structure and organisation of the Board to bring GSK's governance into line with the New Combined Code as early as possible. I am grateful to all my Board colleagues of the past year for their understanding and support in dealing with governance issues and to the Board's Committees, particularly their Chairmen, for the work accomplished.

I ask shareholders to support the election of three new Non-Executive Directors – Larry Culp, Crispin Davis and Sir Robert Wilson – all of whom are independent according to the guidelines of the New Combined Code and have already played a full part for some months in the work of the Board. All were selected against agreed specifications and on the recommendation of the Nominations Committee, assisted by external professional advisors, and all bring to the Board substantial and successful experience of top level management in large companies. I also ask you to support the election of a new Executive Director, Dr Tachi Yamada, who is responsible for GSK's Research and Development activities, and who brings to the Board his considerable knowledge and experience of this vital part of the Company's business.

### Notice of Meeting

I am pleased to enclose the Notice of Meeting for the fourth Annual General Meeting ('AGM') of GlaxoSmithKline plc. The AGM will be held at 2.30pm on Monday, 17th May 2004 at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1.

### Attendance at AGM

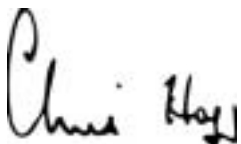
If you will not be attending you may wish to appoint a proxy electronically via [www.shareview.co.uk](http://www.shareview.co.uk) or [www.sharevote.co.uk](http://www.sharevote.co.uk) or if you hold your shares in CREST via the CREST system or by completing and returning the enclosed form of proxy. In each case notice of your appointment of a proxy should reach the company's registrar no later than 2.30pm on Saturday, 15th May 2004.

The Annual Review enclosed contains summary financial statements for the year to 31st December 2003. A copy of the Annual Report is also enclosed for those who have requested a copy. A resolution referring to the financial statements is included in the ordinary business of the AGM. Explanatory notes for the business of the AGM are given on page 5 of this document.

### Recommendation

**Your Board believes that the resolutions contained in the Notice of Meeting are in the best interests of the company and shareholders as a whole and recommends you to vote in favour of them, as your Directors intend to do in respect of their beneficial shareholdings.**

Yours sincerely



**Sir Christopher Hogg**  
Chairman

## Notice of Meeting

**NOTICE IS HEREBY GIVEN** that the fourth Annual General Meeting of GlaxoSmithKline plc will be held at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE, on Monday, 17th May 2004 at 2.30pm to consider and, if thought fit, pass the following resolutions. Resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 and 12 will be proposed as special resolutions.

### Ordinary Business

- 1 To receive and adopt the Directors' Report and the Financial Statements for the year ended 31st December 2003.
- 2 To approve the Remuneration Report for the year ended 31st December 2003.
- 3 To elect Mr H Lawrence Culp as a Director of the company.
- 4 To elect Mr Crispin Davis as a Director of the company.
- 5 To elect Sir Robert Wilson as a Director of the company.
- 6 To elect Dr Tachi Yamada as a Director of the company.
- 7 To re-elect Sir Christopher Hogg as a Director of the company.
- 8 To authorise the Audit Committee to re-appoint PricewaterhouseCoopers LLP as Auditors to the company to hold office from the conclusion of the Meeting to the conclusion of the next Meeting at which accounts are laid before the company.
- 9 To authorise the Audit Committee to determine the remuneration of the Auditors.

### Special Business

#### 10 Donations to EU Political Organisations & EU Political Expenditure

THAT the company be and is hereby authorised to:

- (a) make Donations to EU Political Organisations; and
- (b) incur EU Political Expenditure

in an aggregate amount not exceeding £100,000 during the period ending on the date of the company's Annual General Meeting in 2005. For the purposes of this resolution, the expressions "Donations", "EU Political Organisations" and "EU Political Expenditure" have the meanings set out in Part XA of the Companies Act 1985 the "Act" (as amended by the Political Parties, Elections and Referendums Act 2000).

#### 11 Disapplication of pre-emption rights (Special resolution)

THAT for the purposes of Article 12 of the company's Articles of Association the Directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by Resolution 20 passed at the Annual General Meeting held on 21st May 2001 which expires at the end of the company's Annual General Meeting in 2006 or, if earlier, on 20th May 2006, and / or where such allotment

constitutes an allotment of equity securities by virtue of section 94(3A) of the Act as if section 89(1) of the Act did not apply to such allotment, provided that this power shall be limited:

- (a) to the allotment of equity securities in connection with a rights issue (as defined in Article 12.5 of the company's Articles of Association) provided that an offer of equity securities pursuant to any such rights issue need not be open to any shareholder holding ordinary shares as treasury shares; and
- (b) to the allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal amount of £74,330,954,

and shall expire at the end of the next Annual General Meeting of the company to be held in 2005 or, if earlier, on 16th November 2005.

#### 12 Purchase of own shares by the company (Special resolution)

THAT the company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Act to make market purchases (within the meaning of section 163 of the Act) of its own Ordinary Shares of 25p each provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 594,647,632;
- (b) the minimum price which may be paid for each Ordinary Share is 25p;
- (c) the maximum price which may be paid for each Ordinary Share is an amount equal to 105% of the average of the middle market quotations for the company's Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and
- (d) the authority conferred by this resolution shall, unless renewed prior to such time, expire at the end of the next Annual General Meeting of the company to be held in 2005 or, if earlier, on 16th November 2005 (provided that the company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed wholly or partly after such expiry).

### By Order of the Board

**Simon Bicknell**  
Company Secretary  
26th March 2004

**Registered Office:**  
980 Great West Road  
Brentford  
Middlesex TW8 9GS

**Notes**

- (i) All resolutions at the Meeting will be decided by poll as required by the company's Articles of Association.
- (ii) An "Abstain" option is provided on the proxy card accompanying this Notice of Meeting which is to enable a member (shareholder) to abstain on any particular resolution. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a resolution.
- (ii) A member of the company entitled to attend and vote at this Meeting but who is unable to be present in person is entitled to appoint one or more proxies to attend the Meeting and to vote on his behalf. A proxy need not be a member of the company.

To appoint a proxy you may:

- (a) Register the appointment of your proxy vote electronically using the internet by going to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions provided. The proxy appointment must be received by Lloyds TSB Registrars at the address referred to on the website by 2.30pm on 15th May 2004. Please note that any electronic communication sent to our registrars in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted; or
- (b) Use the proxy card enclosed with this Notice of Meeting which should be returned direct to:  
Lloyds TSB Registrars  
The Causeway,  
Worthing  
West Sussex,  
BN99 6DX  
no later than 2.30pm on 15th May 2004; or
- (c) If you hold your shares in uncertificated form, utilise the CREST electronic proxy appointment service as set out below.
- (iv) Holders of the company's American Depositary Shares evidenced by American Depositary Receipts may exercise their votes through the Depository, The Bank of New York. Such holders wishing to attend the Meeting should obtain prior authority from the Depository, which can be contacted at:  
The Bank of New York  
Investor Relations  
P.O. Box 11258  
Church Street Station  
New York, NY 10286-1258  
USA  
Tel: +1 610 312 5315
- (v) Copies of contracts of service between Directors and the company or any of its subsidiaries are available for inspection at the company's registered office given above during normal business hours (Saturdays, Sundays and public holidays excepted) and at the place of the Meeting on 17th May 2004 from 1.30pm until the end of the Meeting.
- (vi) The register of Directors' interests in the shares of the company and its subsidiaries will also be available for inspection at the place of the Meeting on 17th May 2004 from 1.30pm until the end of the Meeting.
- (vii) Members must be entered on the company's register of members on 15th May 2004, at 2.30pm, to be entitled to attend and vote at the Meeting. Members may cast votes only in respect of shares of which they were registered holders at such time.

## Explanatory Notes to Business of the Annual General Meeting

### Ordinary Business

Each resolution will be proposed as an Ordinary resolution.

#### **Resolution 1 - To receive and adopt the Directors' Report and the financial statements for 2003**

For each financial year, the Directors must present the Directors' Report, the audited accounts and the independent auditors' report to shareholders at a General Meeting.

#### **Resolution 2 - To approve the 2003 Remuneration Report**

In accordance with the Directors Remuneration Report Regulations 2002, shareholders are invited to vote on the Remuneration Report, which may be found on pages 45 to 60 of the 2003 Annual Report or a summary of which can be found on pages 18 to 20 of the 2003 Annual Review.

#### **Resolution 3 - 7 - Election and Re-election of Directors**

The company's Articles of Association require any Director newly appointed by the Board to retire at the first Meeting after his appointment. You are therefore asked to elect as Directors Messrs Culp and Davis, Sir Robert Wilson and Dr Yamada, who have all been appointed by the Board since last year's Meeting.

The Articles of Association also require one-third of the Board to retire at each AGM. All of the Directors are eligible to seek re-election by shareholders at the Meeting, if they so wish.

Dr Barzach, Sir Christopher Hogg, Mr McArthur and Mr McHenry are all retiring by rotation. Dr Barzach, Mr McArthur and Mr McHenry are not seeking re-election and will retire from the Board at the conclusion of the AGM. Sir Christopher Hogg last sought re-election at the AGM in 2003 and, under the Articles of Association, offers himself for re-election at the AGM.

Mr Culp, Mr Davis, Sir Christopher Hogg and Sir Robert Wilson as Non-Executive Directors do not have service contracts. Dr Yamada has a service contract with a notice period of 12 months. The Non-Executive Directors' letters of appointment and Dr Yamada's service contract are available for inspection as specified in Note (v) above.

Biographical details for each of the Directors standing for election or re-election to the Board at the Meeting are given in the company's Annual Report and Annual Review. In addition, current biographical details for each Director are maintained on [www.GSK.com](http://www.GSK.com)

#### **Resolutions 8 & 9 - To authorise the Audit Committee to re-appoint PricewaterhouseCoopers LLP as Auditors to the company and to determine their remuneration.**

At every General Meeting at which accounts are presented to shareholders, the company is required to appoint auditors to serve until the next such meeting. PricewaterhouseCoopers LLP have said that they are willing to continue as the company's auditors for another year. You are asked to reappoint them and, following normal practice, to authorise the Audit Committee to determine their remuneration. Details of the company's policy with regard to non-audit work and details of work undertaken by the Auditors are given in the company's Annual Report which can be viewed on [www.GSK.com](http://www.GSK.com).

### Special Business

#### **Resolution 10: Donations to EU Political Organisations & EU Political Expenditure (Ordinary resolution)**

The Political Parties, Elections and Referendums Act 2000 requires companies to seek shareholder approval for donations to organisations within the European Community which are, or could be, categorised as an EU Political Organisation.

Although the company does not intend to make donations to political parties, within the normal meaning of that expression, the definition in the legislation of "EU Political Organisations" can extend to bodies such

as those concerned with policy review, law reform, the representation of the business community and special interest groups such as those concerned with the environment, which the company and its subsidiaries might wish to support.

No payments have ever been made under this authority.

#### **Resolution 11: Disapplication of pre-emption rights (Special resolution)**

This resolution gives the Directors authority to allot Ordinary Shares (including any Ordinary Shares which the company has purchased and elected to hold as treasury stock) for cash without first offering them to existing shareholders in proportion to their existing shareholdings and is limited to allotments in connection with rights issues, or otherwise up to a maximum nominal amount of £74,330,954 representing just less than 5 per cent of the company's issued share capital as at 27th February 2004. This authority is granted under section 96 of the Companies Act 1985 and is a standard resolution for most UK companies each year.

#### **Resolution 12: Purchase of own shares by the company (Special resolution)**

This resolution seeks authority for the company to make market purchases of its own Ordinary Shares. Purchases of the company's own shares will be made only after considering the effects on earnings per share and the benefits for shareholders generally. You are asked to consent to the purchase by the company of up to a maximum of 594,647,632 Ordinary Shares, which represents just less than 10% of the company's issued share capital as at 27th February 2004. This authority will expire at the end of the next Annual General Meeting or, if earlier, on 16th November 2005.

The maximum price which may be paid for an Ordinary Share is 105% of the average middle market quotations for the five business days preceding the purchase and the minimum price which may be paid for any Ordinary Share is its nominal value of 25p.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 came into force on 1st December 2003 and the Companies (Acquisition of Own Shares) (Treasury Shares) No. 2 Regulations 2003 on 18th December 2003 (together, the "Regulations"). The Regulations enable companies to retain any of their own shares they have purchased as treasury stock with a view to possible re-issue at a future date, rather than cancelling them in accordance with current legislation. The company would consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury stock. This would give the company the ability to re-issue treasury shares quickly and cost-effectively, and would provide the company with additional flexibility in the management of its capital base. The company did not hold any Ordinary Shares as treasury stock as at 27th February 2004.

The total number of options over Ordinary Shares outstanding as at 27th February 2004 was approximately 422 million representing approximately 7.09 % of the issued share capital of the company at that date. If the authority to buy back shares under this resolution were exercised in full, the total number of options to subscribe for Ordinary Shares outstanding as at 27th February 2004 would, assuming no further Ordinary Shares are issued, represent 7.88% of the issued share capital. The total number of options as set out above includes options granted by the company and legacy companies, Glaxo Wellcome plc and SmithKline Beecham plc.

The obligations of the company in respect of Ordinary Shares issuable under options outstanding are partly hedged by Ordinary Shares held by the Group's employee share ownership trusts, details of which can be found in the Annual Report which is available on the company's website at [www.gsk.com](http://www.gsk.com). The company's current intention is to satisfy the exercise of outstanding options over approximately 163 million Ordinary Shares, representing approximately 2.75% of the issued share capital of the company, by the release of Ordinary Shares from the Group's employee share ownership trusts, which on 27th February 2004 held approximately 174 million Ordinary Shares, and the remainder by the issue of new Ordinary Shares.

## Information on how to vote

### Voting using Shareview

If you have a Shareview portfolio, you may register your vote electronically by visiting [www.shareview.co.uk](http://www.shareview.co.uk), logging into your account and following the instructions provided.

### Voting using Sharevote

You may register your vote electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions provided.

### Voting using CREST's electronic proxy appointment service

If you hold your Shares in uncertificated form in CREST you may use the electronic proxy appointment service operated by CREST to appoint a proxy and register your vote.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 17th May 2004 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

### Receipt of your vote

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an instruction to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent, Lloyds TSB Registrars (ID 7RA01) by 2.30pm on 15th May 2004.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. No messages received through the CREST network after this time will be accepted.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.