

Terms of Reference

(Approved by the Board on 3 February 2005

Last updated on 28 January 2025)



1 Membership

- 1.1 All members of the Committee should be independent Non-Executive Directors.
- 1.2 No Committee member shall:
 - i) receive any consulting, advisory or compensatory fee from the Company other than as a Committee member, a member of the Board or any other Board Committee; or
 - ii) be an affiliate of the Company or its subsidiaries.
- 1.3 Each Committee member should have experience working with financial and accounting matters. The Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 1.4 The Company's Annual Report on Form 20-F shall state the names of the persons that the Board has determined to:
 - i) have "Recent and Relevant Financial Experience", as set out in the UK Corporate Governance Code (the Code), or explain why none have been so determined; and
 - ii) be an "Audit Committee Financial Expert", as required by the US Sarbanes-Oxley Act of 2002 (US Sarbanes-Oxley).
- 1.5 The Company Chair shall not be a Committee member, but may be invited to attend its meetings.
- 1.6 The Committee Chair shall have, ideally, served as a member on the Committee for at least one year prior to becoming Committee Chair.

2 Attendance at meetings

- 2.1 Only members of the Committee have the right to attend Committee meetings. However, all other Non-Executive Directors, the Company Chair, the CEO, the CFO, General Counsel, Group Financial Controller, Head of Audit & Assurance, and Chief Compliance Officer, and a representative of the external auditor will be invited to attend meetings of the Committee on a regular basis, although the Committee may meet without any executives of the Company being present. Other members of senior management may be invited to attend all or any part of any meeting, as and when appropriate.
- 2.2 The Committee shall, as required, meet privately with the external auditor at the end of each scheduled meeting or at least once a year.
- 2.3 At least once a year the Committee shall meet separately with:
 - i) the Head of Audit & Assurance;
 - ii) the Chief Compliance Officer;
 - iii) the Chief Executive Officer; andeach without the other Executive Directors and other management being present.

3 Frequency of meetings

- 3.1 The Committee shall meet at least six times a year and otherwise as required.



4 Authority

4.1 The Committee is authorised by the Board to:

4.1.1 investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee or co-worker in order to perform its duties. All employees and co-workers are directed to co-operate with any request made by the Committee.

5 Duties

5.1 The Committee shall, in a way that complies with the responsibilities of audit committees as laid out in laws and regulations and takes into account relevant best practice guidance, including the Financial Reporting Council's Audit Committees and the External Audit: Minimum Standard (the Minimum Standard), and the Financial Reporting Council (FRC) UK Corporate Governance Code Guidance and the Ethical Standard:

5.2 *Financial and Corporate reporting*

5.2.1 review the published annual financial statements and the management discussion and analysis disclosures, interim reports, preliminary results announcements and any other formal announcements relating to financial performance prior to their approval by the Board or Board Committee, focusing particularly on:

- i) the integrity of the Company's financial statements, strategic report and statements relating to audit and to risk management;
- ii) any changes in accounting policies and practices and to periodically review the appropriateness of the critical accounting policies and evaluate alternatives;
- iii) the methods used to account for significant or unusual transactions where different approaches are possible;
- iv) major judgmental areas;
- v) inviting challenge by the external auditor, giving due consideration to points raised and making changes to financial statements in response, where appropriate;
- vi) reviewing and challenging where necessary;
- vii) whether the Company has made appropriate estimates and judgments, taking into account the external auditor's views on the financial statements;
- viii) significant adjustments resulting from the external audit and any unadjusted items identified during the external audit;
- ix) reviewing the adherence to sustainability reporting standards
- x) the clarity and completeness of statements made including: viability statements and the appropriateness of adopting the going concern assumption in annual and half yearly financial statements of the Company, and also identify any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the annual and half yearly financial statements;
- xi) compliance with accepted accounting standards; and
- xii) compliance with relevant US and UK regulatory and legal requirements.

5.2.2 where requested by the Board, provide advice on whether the Annual Report (and by extension similar price-sensitive reports to regulators), taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy and whether it informs the Board's statement in the Annual Report on these matters that is required under the Code.



5.3 External auditor

- 5.3.1 initiate and supervise the selection and propose the appointment, re-appointment and removal of the external auditor to the Company's shareholders and obtain their consent to the Committee negotiating and agreeing the remuneration of the external auditor.
- 5.3.2 oversee the selection procedure for the appointment of the external auditor in accordance with applicable Code and regulatory requirements, including the Minimum Standard, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process. Each Committee member should be involved throughout the tender process.
- 5.3.3 be directly responsible for the remuneration, effectiveness and oversight of the work of the external auditor performed for the purpose of the external audit. Such oversight shall include:
- i) the selection procedure for the appointment of audit firms, submitting two possible audit firm options for the engagement to the Board, together with a justified preference for one of them;
 - ii) the engagement letter;
 - iii) the scope of the external audit and external audit plan;
 - iv) the external audit fee;
 - v) audit representation letters from management to the external auditor;
 - vi) ensuring that the external auditor has full access to Company staff and records;
 - vii) the resolution of any disagreements between management and the external auditor regarding financial reporting;
 - viii) asking whether the external auditor has identified any risks to audit quality and, if so, how these were addressed; discussing with the auditor the key audit firm and network level controls the auditor relied on to address any identified risks to audit quality and enquiring about findings from internal and external inspections of their audit and their audit firm;
 - ix) reviewing whether the auditor has met the agreed audit plan and any commitments made during the tender process (including whether the volume and type of resources envisaged (as regards seniority and where relevant, specialism) have been deployed) and understanding reasons for changes to the audit plan;
 - x) considering the external auditor's robustness and perceptiveness in handling key accounting and audit judgements and responding to the Committee's questions;
 - xi) obtaining feedback about the conduct of the audit from key people involved;
 - xii) reviewing and monitoring the content of the external auditor's management letter, and other communications with the Committee, to assess whether it is based on a good understanding of the Company's business and establish whether recommendations have been acted on, and if not, the reasons why this is not so;
 - xiii) obtaining evidence on the effectiveness of the external audit and auditor from those impacted by the audit/auditor (which may include (among other things) evidence of occasions when the auditor has challenged management and the outcome of those challenges, how the auditor has responded to previous assessments of audit quality, the auditor's quality assurance systems, any agreed audit quality indicators against which the auditor reports, any FRC review of the Company's audit and the auditor's response and action plans, sample surveys and feedback from external sources including investors); and
 - xiv) reviewing the FRC's annual report on the external auditor, and discussing the report with the auditor to understand how any identified issues are being addressed.
- 5.3.4 pre-approve or otherwise approve in advance all audit and non-audit services (other than those expressly prohibited) undertaken by the Company's external auditor. The Committee should consider the impact that non-audit services may have on independence, taking into account the



relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required.

- 5.3.5 develop and recommend to the Board the Company's policy on the provision of non-audit services by the external auditor, and keep the policy under review, taking into account legal requirements and guidance and ensuring that the Company manages its non-audit relationships with audit firms to ensure that it has a fair choice of suitable auditors at the next external audit tender and in light of the need for greater market diversity and any market opening measures that may be introduced.
- 5.3.6 ensure that procedures are in place to record all non-audit services undertaken by the Company's external auditor in the Company's Annual Report.
- 5.3.7 require the external auditor to include the following matters in its report to the Committee.
- i) all critical accounting policies and practices used by the Company;
 - ii) all alternative accounting treatments which have been discussed with management and the resultant conclusion by the external auditor;
 - iii) all material written communications between the external auditor and the Company's management;
 - iv) any material internal control failures; and
 - v) any scope restrictions or any restrictions on access to information.
- 5.3.8 seek reassurance from the external auditor and its staff that they have no relationships with the Group which could adversely affect the external auditor's independence and objectivity and receive and discuss periodic reports from the external auditor regarding its independence, including being satisfied that there are appropriate safeguards in place to ensure that any non-audit services provided by the external auditor are compatible with the maintenance of that independence, including guidance on rotation of the audit partner and staff.
- 5.3.9 assess annually the qualifications, expertise, resources, independence and objectivity of the external auditor and the effectiveness of the external audit process. This review shall take into consideration relevant law, regulation, the Ethical Standard, the Minimum Standard and other professional and regulatory requirements and the Group's relationship with the auditor as a whole, including any threats to the auditor's independence and objectivity and the safeguards applied to mitigate those threats including the provision of any non-audit services.
- 5.3.10 in the event that the Company's external auditor resigns, conduct an investigation to understand the reasons for its resignation and consider whether any action is required.
- 5.3.11 recommend to the Board, and keep under review, guidelines for the hiring of employees of the external auditor who were formerly engaged on the external audit.
- 5.3.12 discuss with the external auditor before the external audit commences the nature and scope of the external audit.
- 5.3.13 satisfy itself that the quality of the audit is of a sufficiently high standard supported by evidence, and be able to justify how the Committee arrived at its conclusion.
- 5.3.14 discuss problems and reservations arising from the external audit (including any changes in perceived audit risks) and any matters the external auditor may wish to discuss (in the absence of management where necessary).



5.3.15 review the external auditor's audit reports and presentations and management's response with particular focus on major issues arising from the:

- i) external audit
- ii) the auditor's explanation of how the risks to audit quality were addressed
- iii) significant judgements taken
- iv) the auditor's view of its interactions with senior management and level of errors identified in the external audit.

5.4 *Global internal control & compliance*

5.4.1 approve the appointment or removal of the Head of Audit & Assurance and periodically review their objectivity.

5.4.2 review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work, and monitor the internal audit function to ensure it is appropriate for the current needs of the Group.

5.4.3 monitor and review the Group's risk management and internal control framework, and the effectiveness of Audit & Assurance and the Risk Oversight & Compliance Council especially in the context of the Company's risk management system and the work of the external auditor.

5.4.4 ensure that:

- i) internal audit has an unrestricted scope, the necessary resources, access to information to enable it to fulfil its mandate effectively;
- ii) there is open communication between different functions (including between the Committee and the auditor, as well as with Company management)
- iii) the internal audit function has appropriate standing in the Company and is equipped to perform in accordance with appropriate professional standards for internal auditors; and
- iv) the Head of Audit & Assurance has direct access to the Company and Committee Chairs.

5.4.5 monitor coordination between the internal and external auditors and request internal audit to undertake specific audit projects, having informed management of their intentions.

5.4.6 oversee the Group's compliance with section 404 of the US Sarbanes-Oxley Act,

5.4.7 review throughout the year integrated Assurance reports including relevant highlights from Audit & Assurance and Compliance reports and any other relevant inputs.

5.4.8 review at each meeting significant issues business units and other corporate functions, in addition to details of significant changes to the Group's risk management and internal control framework.

5.4.9 review a formal annual Assurance Plan at the beginning of the year to ensure adequate assurance coverage for all of the Group's significant risks.

5.4.10 monitor the internal audit function and system of internal control and risk management covering all material controls and review their effectiveness at least annually and advise on any significant failings or weaknesses identified during the review, prior to the Board making its statement in the Annual Report thereon.



- 5.4.11 where requested by the Board provide advice on how, taking into account the Company's position and principal risks, the prospects of the Company have been assessed, over what period and why the period is regarded as appropriate. The Committee should also provide advice on whether there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities when falling due over the said period drawing attention to any qualifications or assumptions as necessary prior to the Board making its statement in the Annual Report.
- 5.4.12 review annually the key risks inherent and emerging in the business and the system of internal control necessary to monitor such risks and where requested by the Board provide it with assurance of the robustness of its assessment of the management of principal risks prior to the Board making its statement thereon.
- 5.4.13 monitor the Enterprise Risk Map of all the Company's Enterprise Risks and the process by which they are prioritised.
- 5.4.14 have oversight of the Enterprise Risks determined by the Board to be most relevant to the Committee's areas of expertise and responsibility, noted below, as well as certain risks that are reported elsewhere for risk oversight.
- i) Financial Controls & Reporting;
 - ii) Information and Cyber Security;
 - iii) Data Ethics and Privacy;
 - iv) Legal Matters;
 - v) Commercial Practices;
 - vi) Research Practices
 - vii) Patient Safety
 - viii) Scientific and Patient Engagement;
 - ix) Environment, Health and Safety.
- 5.4.15 consider the findings of major internal investigations and management's response.
- 5.4.16 review throughout the year Group procedures for:
- i) compliance with any applicable sanctions regimes;
 - ii) detecting fraud;
 - iii) controls for preventing bribery and receive reports on non-compliance.
- 5.4.17 consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Group subscribes, or of any related Group codes, policies and procedures which could have a material effect on the financial position or contingent liabilities of the Group, including the Group's Anti-Bribery and Corruption Programme.
- 5.4.18 review policies and procedures with respect to Directors' and officers' expense accounts, including their use of corporate assets, and consider the results of any review of these areas by the Head of Audit & Assurance or the external auditor.
- 5.4.19 review any proposed transactions between the Group and members of senior management other than those that derive from their employment and to review any such transactions that have been entered into since the completion of the merger between Glaxo Wellcome and SmithKline Beecham on 27 December 2000.



5.4.20 receive an annual report from the CEO and the CFO that they have disclosed to the Committee and to the external auditor all significant deficiencies in internal control which could adversely affect the Company's ability to record and report financial data.

5.5 *Whistleblowing*

5.5.1 on behalf of the Board, ensure that procedures are established and monitored for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal control and auditing matters, misconduct and possible breaches of GSK's Code and any other relevant matter.

5.5.2 establish and monitor procedures for the confidential and anonymous submission of concerns from the workforce of the Company regarding accounting, auditing or other matters and to ensure appropriate follow up action is taken. The Committee shall ensure that these procedures allow proportionate and independent investigation of such matters and appropriate follow-up action.

5.6 *Authorised Investment Instruments and Counterparty Limits*

5.6.1 on behalf of the Board, approve changes between Board meetings to the Authorised Investment Instruments and Counterparty Limits as set out in the Treasury Policies.

5.7 *Responsible Business data and assurance*

5.7.1 support the Corporate Responsibility Committee ("CRC") and Remuneration Committee ("RC") through the Committee's diligence in overseeing the implementation and operation of consistent controls and processes concerning the effectiveness of the assurance and quality of Responsible Business data. This supports the formulation of the Responsible Business performance rating, which the CRC approves. The CRC oversees the Company's responsible business approach strategy, performance and reporting. The RC is responsible for the oversight of Responsible Business performance conditions in the Company's Remuneration Policy.

5.8 *Business Development Transactions*

5.8.1 undertake commercial reviews of business development transactions as requested by the Board.

5.9 *Legal and Regulatory Developments*

5.9.1 monitor the progress of any relevant legal and regulatory developments that may impact the work of the Committee and recommend any action or changes it considers necessary to the Board for approval.

6 Other Committees

6.1 The Committee will be assisted in undertaking its duties by the Risk Oversight and Compliance Council.

6.2 To assist in the performance of its duties, the Committee shall review reports and minutes of, and discuss any issues raised by, the Disclosure Committee.

7 Reporting Procedures & Responsibilities

7.1 The Committee Chair shall keep the Board informed of Committee activity and engage with the Board as appropriate on key decisions.



- 7.2 The Committee shall make regular reports, including in relation to any significant issues it considered in relation to the financial statements, its assessment of the effectiveness of the external audit process, to the Board and will promptly draw to the Board's attention matters requiring action or improvement. The Committee shall report to the Board and members of the Company on how it has discharged its responsibilities with respect to the external audit, and shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 Any unresolved disagreements between the Committee and the Board shall be reported by the Committee to shareholders as part of the Committee's report on activities.
- 7.4 The Committee's Report for inclusion in the Company's Annual Report shall describe the work of the Committee in discharging its responsibilities and also should specifically include:
- i) a summary of the role and work of the Committee;
 - ii) how the Committee's performance evaluation has been conducted;
 - iii) an explanation of the application of the Group's accounting policies;
 - iv) where shareholders have requested that certain matters be covered in an audit and that request has been rejected, an explanation of the reasons why;
 - v) the significant issues that the Committee considered in relation to the financial statements, and how these issues were addressed, having regard to matters communicated to it by the external auditor;
 - vi) where a regulatory inspection of the quality of the Company's audit has taken place, information about the findings of that review, together with any remedial action the auditor is taking in the light of these findings;
 - vii) confirmation that the Board has carried out a robust assessment of the principal and emerging risks facing the Company, a description of its principal risks, the procedures in place to identify emerging risks and an explanation as to how they are being managed and mitigated;
 - viii) an explanation of how it has assessed the effectiveness and independence of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length of tenure of the current audit firm and when a tender was last conducted and advance notice of any retendering plans;
 - ix) if the Board does not accept the Committee's recommendation regarding the appointment, reappointment or removal of the external auditor, a statement explaining its recommendation and reasons why the Board has taken a different stance; and
 - x) where the external auditor provides non-audit services, an explanation of how auditor objectivity and independence is safeguarded.