



Explanatory Notes

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 2005

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

Resolution 2 - To approve the 2005 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 37 to 54 of the 2005 Annual Report or a summary of which can be found on pages 20 to 22 of the 2005 Annual Review.

Resolutions 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 Dr Moncef Slaoui and Mr Tom de Swaan, who have been appointed by the Board since last year's Meeting. Dr Slaoui will join the Board as an Executive Director with effect from 17th May 2006 and succeed Dr Yamada as Chairman of Research & Development with effect from 1st June 2006. Dr Slaoui will bring to his new role broad experience in scientific research, product development, and executive management. In his current position, he has served on the R&D Executive Team and spearheaded recent changes in R&D to enhance drug discovery and accelerate product development. Previously, in GSK Biologicals, he engineered the development of a robust vaccines pipeline, including *Rotarix*, to prevent infantile gastroenteritis, and *Cervarix*, to prevent cervical cancer. The Board considers that Mr de Swaan brings a wealth of experience and makes a valuable contribution to the Board in its role of ensuring the company is appropriately managed and achieves its strategic objectives.

The Articles of Association also require one-third of the current Directors to retire at each AGM. All of the Directors are eligible to seek re-election by shareholders at the Meeting, if they so wish. Mr Larry Culp, Sir Crispin Davis, Dr Ronaldo Schmitz and Dr Lucy Shapiro are all retiring by rotation. Mr Culp and Sir Crispin were elected to the Board in 2004. Dr Schmitz and Dr Shapiro both sought re-election in 2005. Dr Shapiro is not seeking re-election and will retire from the Board at the conclusion of the AGM.

Mr Culp, Sir Crispin and Dr Schmitz each offer themselves for re-election at the AGM. The Chairman is satisfied that Mr Culp and Sir Crispin each continue to perform effectively and demonstrate commitment to their role including commitment of time for Board and committee meetings and their other duties. The Board and Dr Schmitz have agreed that he should stand for a further three year term. The Chairman is also satisfied that following his review of Board and Director effectiveness, Dr Schmitz remains independent in character and judgement and that, even though he will exceed nine years as a Director, it remains appropriate for him to Chair the Audit Committee from the AGM in May 2006 until September 2006. Mr Culp, Sir Crispin and Dr Schmitz are all Non-Executive Directors and have letters of appointment rather than service contracts, which 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

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 indicated 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 and their remuneration are given in the company's Annual Report which can be viewed on 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 make and 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" is wide. It 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 – Authority to Allot Shares (Ordinary resolution)

Under a resolution passed at the Annual General Meeting of the company held on 21st May 2001, the Directors have the power to allot the unissued shares of the company until the end of the company's Annual General Meeting held in 2006, or, if earlier, until 20th May 2006. Consequently, the Directors have decided to seek your approval to replace this authority with a new power which will expire at the end of the Annual General Meeting of the company to be held in 2007 or on 16th November 2007, whichever is earlier. If passed, this resolution will give the Directors authority to allot unissued share capital with a nominal value of up to £485,201,557 which, as at 24th February 2006, being the last practicable date prior to the publication of this Notice, represented just less than one-third of the issued share capital of the company. The Directors have no intention at present to exercise this authority to allot unissued shares of the company.

Resolution 12 - 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 £72,780,233 representing just less than 5 % of the company's issued share capital. This authority is granted under section 95 of the Companies Act 1985 and is a standard resolution for most UK companies each year.

Resolution 13 - 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 582,241,869 Ordinary Shares, which represents just

less than 10% of the company's issued share capital. This authority will expire at the end of the next Annual General Meeting or, if earlier, on 16th November 2007. 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 an Ordinary Share is its nominal value of 25p. The company may either retain any of its own shares which it has purchased as treasury stock with a view to possible re-issue at a future date, or cancel them. 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 total number of options over Ordinary Shares outstanding as at 24th February 2006, being the last practicable date prior to the publication of this Notice, was approximately 382 million representing approximately 6.56% of the issued share capital. 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 24th February 2006 would, assuming no further Ordinary Shares are issued, represent 7.29% 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. The company's current intention is to satisfy the exercise of outstanding options over approximately 127 million Ordinary Shares, representing approximately 2.18% of the issued share capital of the company, by the release of Ordinary Shares from the Group's employee share ownership trusts, which on 24th February 2006 held approximately 165 million Ordinary Shares, and the remainder by the issue of new Ordinary Shares.

Issued share capital

All references to the company's 'issued share capital' in the Explanatory Notes above are to the company's issued share capital as at 24th February 2006, which was 5,822,418,695 Ordinary Shares, excluding any Ordinary Shares held as treasury shares. As at 24th February 2006, the Company held 145,479,678 Ordinary Shares as treasury shares, representing 2.44% of the company's issued share capital as at that date.

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, logging into your account and following the instructions provided.

Voting using Sharevote

You may register your vote electronically by visiting 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 Wednesday, 17th May 2006 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 constitutes the appointment of a proxy or 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 Monday, 15th May 2006.

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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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.