

GlaxoSmithKline plc Notice of Annual General Meeting

Thursday 4 May 2017
at 2.30pm

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 independent professional adviser immediately. If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

30 March 2017

To the holders of the company's Ordinary Shares and American Depositary Shares.

Dear Shareholder,

Annual General Meeting 2017

I am pleased to enclose the Notice of Meeting for the seventeenth Annual General Meeting (AGM) of GlaxoSmithKline plc. The AGM will be held on Thursday 4 May 2017 at 2.30pm at The Queen Elizabeth II Centre, Broad Sanctuary, Westminster, London SW1P 3EE.

If you will not be attending, you may appoint a proxy by completing and returning the enclosed proxy form. Alternatively, you may appoint a proxy electronically via www.shareview.co.uk, www.sharevote.co.uk or, if you hold your shares in CREST, via the CREST system. Notice of your appointment of a proxy should reach the company's registrar, Equiniti, by 2.30pm on Tuesday 2 May 2017. If you hold your shares through a nominee service, please contact the nominee service provider regarding the process for appointing a proxy.

A resolution to receive and adopt the Directors' Report and the Financial Statements for 2016 is included in the ordinary business of the AGM.

A resolution is proposed to approve the new Remuneration policy.

Resolutions are also proposed for the formal election of Dr Vivienne Cox as a Non-Executive Director, and of Emma Walmsley, our Chief Executive Officer Designate, and Dr Patrick Vallance as Executive Directors. They were appointed by the Board since the last AGM and their biographies are set out in the explanatory notes to this document.

In accordance with the UK Corporate Governance Code (the Code), all of the other Directors of the company will stand for re-election to the Board, with the exception of Sir Andrew Witty and Dr Moncef Slaoui who, as previously announced, will both step down from the Board on 31 March 2017. Sir Andrew's retirement will represent the culmination of almost 32 years of service to GSK, nearly ten years of which has been as CEO. Moncef's most recent role has been as Chairman, Global Vaccines, prior to which for eight years he served as Chairman of R&D. He will serve as an adviser to both GSK and the Board until his retirement on 30 June 2017. He will continue beyond that date as Chairman of the Board of Directors of Galvani Bioelectronics, the company launched in November 2016 that GSK jointly owns with Verily Life Sciences.

In addition, resolutions are proposed to approve the adoption of the new 2017 Performance Share Plan and 2017 Deferred Annual Bonus Plan, to retain a notice period of 14 clear days for general meetings other than an AGM, albeit that the company intends to follow the Code guideline to provide 14 working days' notice, and to omit from the published copies of the company's 2017 Annual Report the name of the individual who signs the auditors' reports on behalf of the company's auditors.

Explanatory notes for the business of the AGM are given on pages 11 to 22 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 that you vote in favour of them, as your Directors intend to do in respect of their beneficial shareholdings.

Yours sincerely,

Philip Hampton
Chairman
GlaxoSmithKline plc

Registered in England & Wales
No. 3888792
Registered office:
980 Great West Road
Brentford
Middlesex TW8 9GS

Notice of Meeting

Notice is hereby given that the seventeenth AGM of GlaxoSmithKline plc will be held at The Queen Elizabeth II Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Thursday 4 May 2017 at 2.30pm to consider and, if thought fit, pass the following resolutions.

All resolutions will be proposed as ordinary resolutions, save for resolutions 19, 20, 21 and 23 which will be proposed as special resolutions.

Ordinary Business

- 1 To receive and adopt the Directors' Report and the Financial Statements for the year ended 31 December 2016, together with the report of the auditors.
- 2 To approve the Annual report on remuneration for the year ended 31 December 2016.
- 3 To approve the Remuneration policy as set out in the Remuneration policy report in the Annual Report for the year ended 31 December 2016.
- 4 To elect Emma Walmsley as a Director.
- 5 To elect Dr Vivienne Cox as a Director.
- 6 To elect Dr Patrick Vallance as a Director.
- 7 To re-elect Philip Hampton as a Director.
- 8 To re-elect Professor Sir Roy Anderson as a Director.
- 9 To re-elect Vindi Banga as a Director.
- 10 To re-elect Simon Dingemans as a Director.
- 11 To re-elect Lynn Elsenhans as a Director.
- 12 To re-elect Dr Jesse Goodman as a Director.
- 13 To re-elect Judy Lewent as a Director.
- 14 To re-elect Urs Rohner as a Director.
- 15 To authorise the Audit & Risk Committee to re-appoint PricewaterhouseCoopers LLP as the auditors to the company to hold office from the end of the meeting to the end of the next meeting at which accounts are laid before the company.
- 16 To authorise the Audit & Risk Committee to determine the remuneration of the auditors.

Special Business

- 17 **Donations to political organisations and political expenditure (ordinary resolution)**

THAT, in accordance with sections 366 and 367 of the Companies Act 2006 (the Act) the company is, and all companies that are, at any time during the period for which this resolution has effect, subsidiaries of the company as defined in the Act, are authorised in aggregate to:

 - (a) make political donations, as defined in section 364 of the Act, to political parties and/or independent electoral candidates, as defined in section 363 of the Act, not exceeding £50,000 in total;
 - (b) make political donations to political organisations other than political parties, as defined in section 363 of the Act, not exceeding £50,000 in total; and
 - (c) incur political expenditure, as defined in section 365 of the Act, not exceeding £50,000 in total,

in each case during the period beginning with the date of passing this resolution and ending at the end of the next AGM of the company to be held in 2018 or, if earlier, at the close of business on 30 June 2018. In any event, the aggregate amount of political donations and political expenditure made or incurred under this authority shall not exceed £100,000.

18 Authority to allot shares (ordinary resolution)

THAT the Directors be and are hereby generally and unconditionally authorised, in accordance with section 551 of the Act, in substitution for all subsisting authorities, to exercise all powers of the company to allot shares in the company and to grant rights to subscribe for or convert any security into shares in the company up to an aggregate nominal amount of £409,708,980 which authority shall expire at the end of the next AGM of the company to be held in 2018 or, if earlier, at the close of business on 30 June 2018 (unless previously revoked or varied by the company in general meeting) save that under such authority the company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert any security into shares in pursuance of such an offer or agreement as if the relevant authority conferred hereby had not expired.

19 General power to disapply pre-emption rights (special resolution)

THAT, subject to resolution 18 being passed, the Directors be and are hereby empowered to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the company as Treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such power to be limited:

- (a) to the allotment of equity securities and sale of Treasury shares in connection with an offer of, or invitation to apply for, equity securities:
 - (i) to Ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities, as required by the rights of those securities, or as the Directors otherwise consider necessary,

but so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter whatsoever; and

- (b) to the allotment of equity securities or sale of Treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £61,462,493, such power to expire at the end of the next AGM of the company (or, if earlier, at the close of business on 30 June 2018) but, in each case, prior to its expiry the company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and Treasury shares to be sold) after the power expires and the Directors may allot equity securities (and sell Treasury shares) under any such offer or agreement as if the power had not expired.

20 Specific power to disapply pre-emption rights in connection with an acquisition or specified capital investment (special resolution)

THAT, subject to resolution 18 being passed, the Directors be and are hereby empowered in addition to any authority granted under resolution 19 to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the company as Treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such power to be:

- (a) limited to the allotment of equity securities or sale of Treasury shares up to a nominal amount of £61,462,493; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such power to expire at the end of the next AGM of the company (or, if earlier, at the close of business on 30 June 2018) but, in each case, prior to its expiry the company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and Treasury shares to be sold) after the power expires and the Directors may allot equity securities (and sell Treasury shares) under any such offer or agreement as if the power had not expired.

21 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 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of its own Ordinary Shares of 25 pence each provided that the:

- (a) maximum number of Ordinary Shares hereby authorised to be purchased is 491,699,944;
- (b) minimum price, exclusive of expenses, which may be paid for each Ordinary Share is 25 pence;
- (c) maximum price, exclusive of expenses, which may be paid for each Ordinary Share shall be the higher of (i) an amount equal to 5% above the average market value for the company's Ordinary Shares for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent purchase bid at the time on the trading venue on which the purchase is carried out; and
- (d) authority conferred by this resolution shall, unless renewed prior to such time, expire at the end of the next AGM of the company to be held in 2018 or, if earlier, at the close of business on 30 June 2018, save that the company may, before such expiry, enter into a contract for the purchase of Ordinary Shares which would or might be completed wholly or partly after such expiry and the company may purchase Ordinary Shares pursuant to any such contract as if this authority had not expired.

22 Exemption from statement of the name of the senior statutory auditor in published copies of the auditors' reports (ordinary resolution)

THAT:

- (a) in accordance with section 506 of the Act, the name of the person who signs the auditors' reports to the company's members on the annual accounts and auditable reports of the company for the year ending 31 December 2017 as senior statutory auditor (as defined in section 504 of the Act) for and on behalf of the company's auditors, should not be stated in published copies of the reports (such publication being as defined in section 505 of the Act) and the copy of the reports to be delivered to the Registrar of Companies under Chapter 10 of Part 15 of the Act; and
- (b) the company considers on reasonable grounds that statement of the name of the senior statutory auditor would create or be likely to create a serious risk that the senior statutory auditor, or any other person, would be subject to violence or intimidation.

23 Reduced notice of a general meeting other than an AGM (special resolution)

THAT a general meeting of the company other than an AGM may be called on not less than 14 clear days' notice.

24 Approval of the adoption of the GlaxoSmithKline 2017 Performance Share Plan (ordinary resolution)

THAT the adoption of the GlaxoSmithKline 2017 Performance Share Plan (the PSP), the principal features of which are summarised in the explanatory notes to this Notice and the rules of which have been signed for the purposes of identification by the Chairman, be and is hereby approved and the Directors are hereby authorised to:

- (a) do whatever may be necessary or expedient to carry the PSP into effect, including making such modifications to the PSP as they may consider appropriate to take account of the requirements of the UK Listing Authority and best practice; and
- (b) establish further plans for the benefit of employees outside the UK, based on the PSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against the limits on individual and overall participation contained in the PSP.

25 Approval of the adoption of the GlaxoSmithKline 2017 Deferred Annual Bonus Plan (ordinary resolution)

THAT the adoption of the GlaxoSmithKline 2017 Deferred Annual Bonus Plan (the DABP), the principal features of which are summarised in the explanatory notes to this Notice and the rules of which have been signed for the purposes of identification by the Chairman, be and is hereby approved and the Directors are hereby authorised to:

- (a) do whatever may be necessary or expedient to carry the DABP into effect, including making such modifications to the DABP as they may consider appropriate to take account of the requirements of the UK Listing Authority and best practice; and
- (b) establish further plans for the benefit of employees outside the UK, based on the DABP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against any limits on individual and overall participation contained in the DABP.

By Order of the Board

Victoria Whyte
Company Secretary
30 March 2017

Registered in England & Wales
No. 3888792
Registered office:
980 Great West Road
Brentford
Middlesex TW8 9GS

Notes

- (i) All resolutions at the AGM will be decided by poll as required by the company's Articles of Association. This is a more transparent method of voting as shareholder votes are counted according to the number of shares held and this will ensure an exact and definitive result.
- (ii) A member (shareholder) of the company is entitled to appoint one or more proxies to attend the AGM, and to speak and vote on his or her behalf, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the company.
- (iii) (a) To appoint a proxy you may:
- complete the proxy form enclosed with this Notice which should be returned directly to Equiniti at the address given in Note (iii) (e); or
 - if you have a Shareview portfolio, register your vote electronically by visiting www.shareview.co.uk, and log onto your portfolio using your user ID and password. Once logged in, simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions; or
 - register the appointment of your proxy electronically using the internet by logging on to www.sharevote.co.uk using the Voting ID, Task ID and Shareholder reference number printed on your enclosed proxy form and following the instructions provided. Please note that any electronic communication sent to the company's registrar in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted; or
 - if you hold your shares in uncertificated form in CREST, you may utilise the CREST electronic proxy appointment service by using the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed a service provider or providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Further details of voting via CREST are also given on page 25.
- (b) The proxy appointment must be received by the company's registrar, Equiniti, by 2.30pm on Tuesday 2 May 2017.
- (c) The "Vote withheld" option is provided to enable a member to withhold his or her vote on any particular resolution. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a resolution.
- (d) If you do not have a proxy form and believe that you should have been sent one, or if you require additional proxy forms, please contact Equiniti on one of the numbers given in Note (iii) (e).
- (e) The return of a completed proxy form, other instrument or any CREST Proxy Instruction will not prevent a member from attending the AGM and voting in person if he or she wishes to do so.

Equiniti can be contacted by post at:

Equiniti Limited
Aspect House
Spencer Road
Lancing, BN99 6DA
Tel: 0371 384 2991 (in the UK)*
Tel: + 44 (0)121 415 7067 (outside the UK)

* Lines are open from 8.30am to 5.30pm, UK time, Monday to Friday excluding public holidays in England and Wales.

- (iv) Holders of the company's American Depositary Shares evidenced by American Depositary Receipts (ADRs) may exercise their votes through the Depositary, BNY Mellon. Such holders wishing to attend the AGM should obtain prior authority by being nominated an "Appointed Proxy" by the Depositary, who can be contacted at:
- BNY Mellon Shareowner Services
PO Box 30170
College Station, TX 77842-3170
- Overnight correspondence should be sent to:
BNY Mellon Shareowner Services
211 Quality Circle, Suite 210
College Station, TX 77845
- www.mybnymdr.com
Tel: + 1 877 353 1154 (US toll free)
Tel: + 1 201 680 6825 (outside the US)
- (v) Participants in the company's Corporate Sponsored Nominee service may exercise their votes through the company's registrar, Equiniti, by using the form of direction enclosed with this Notice of Meeting, which should be returned direct to Equiniti at the address in Note (iii) (e) above. Please note that the form of direction must be received by 5.00pm on Friday 28 April 2017.
- (vi) Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member to exercise the voting rights.
- The statements of the rights of members in relation to the appointment of proxies in Notes (ii) and (iii) above do not apply to Nominated Persons. The rights described in those Notes can only be exercised by members of the company.
- (vii) Copies of service contracts or, where applicable, letters of appointment between Directors and the company or any of its subsidiaries (and any side letters relating to severance terms and pension arrangements) are available for inspection at the company's registered office given above during normal UK business hours (Saturdays, Sundays and public holidays excepted) and at the place of the AGM on Thursday 4 May 2017 from 1.00pm until the end of the meeting.
- (viii) Members must be entered on the company's register of members at 6.30pm on Tuesday 2 May 2017, or, in the event of an adjournment, 6.30pm on the date which is two business days before the time of the adjourned meeting, to be entitled to attend and vote at the AGM. Members may cast votes only in respect of shares of which they were registered holders at such time, and changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM.
- (ix) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if there is more than one corporate representative, they do not do so in relation to the same shares.

- (x) Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with the auditors of the company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the company's auditors no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the company has been required under section 527 of the Act to publish on a website.
- (xi) Any shareholder, proxy or joint shareholder attending the AGM has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the company or the good order of the AGM that the question be answered.
- (xii) In the case of joint shareholders where one or more of the joint shareholders purports to appoint a proxy, only the vote of the first named in the register of members of those who have purported to appoint a proxy shall be accepted.
- (xiii) A copy of this Notice, and other information required by section 311A of the Act, can be found at www.gsk.com.
- (xiv) Under sections 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the company: (i) to give, to members of the company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at that meeting, and/or (ii) to include in the business to be dealt with at that meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must have been received by the company no later than Wednesday 22 March 2017, being the date six clear weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
- (xv) Any electronic address provided either in this Notice or any related documents (including the Chairman's letter and proxy form) may not be used to communicate with the company for any purposes other than those expressly stated.
- (xvi) To be admitted to the AGM, shareholders are asked to present their attendance card (which is attached to the proxy form) or present proof of identity.
- (xvii) On arrival at the place of the AGM, all those entitled to vote will be required to register and collect a poll card.

Explanatory notes to the business of the AGM

Ordinary Business

Each of these resolutions will be proposed as an ordinary resolution. This means that for each of the resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 1 – To receive and adopt the Directors' Report and the Financial Statements for 2016

For each financial year, the Directors must present the Directors' Report, the audited Financial Statements and the independent auditors' reports to shareholders at a general meeting.

Resolutions 2 and 3 – to approve the Directors' Remuneration Report

In accordance with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) the company's 2016 Remuneration Report comprises the Remuneration Committee Chairman's Annual Statement, the Annual report on remuneration (together, the "Implementation Report") and the Remuneration policy (the "Policy").

Resolution 2 seeks shareholder approval for the Implementation Report which gives details of the implementation of the company's previous remuneration policy on the payments and share awards made to directors in connection with their performance and that of the company during the year ended 31 December 2016, on pages 112 to 136 of the Annual Report. The Implementation Report will be prepared annually, and is subject to an advisory shareholder vote.

In line with the remuneration reporting regime, Resolution 3 presents for approval our new Remuneration policy. This Policy will replace the Policy previously approved by shareholders at the AGM on 7 May 2014 and has been updated in light of current best practice, with the proposed changes designed to provide further alignment of Directors' remuneration with the long term future of GSK and the interests of shareholders. The Policy can be found in the Annual Report on pages 137 to 146, which includes a summary of the changes proposed. Once the Policy is approved, the company will not be able to make a remuneration payment to a current or future Director or a payment for loss of office to a current or past Director, unless that payment is consistent with the Policy or has been approved by shareholders.

The company's auditors, PricewaterhouseCoopers LLP, have audited those parts of the Directors' Remuneration Report required to be audited and their report may be found on pages 149 to 157 of the 2016 Annual Report.

Resolutions 4-14 – To elect and re-elect Directors

The company's Articles of Association require any Director newly appointed to the Board to retire at the first AGM after their appointment. The Board recommends that you elect as a Non-Executive Director Dr Vivienne Cox, who was appointed to the Board on 1 July 2016; and Emma Walmsley, CEO Designate, and Dr Patrick Vallance, who were appointed to the Board as Executive Directors on 1 January 2017. The Board has determined that Dr Vivienne Cox is an independent Non-Executive Director in accordance with the Code.

Biographies of the new Directors

Emma Walmsley, CEO Designate of GSK

Emma joined GSK in 2010 with responsibility for Consumer Healthcare, Europe and was subsequently appointed President of GlaxoSmithKline Consumer Healthcare. She has been a member of GSK's Corporate Executive Team since 2011 and, in 2015, was appointed CEO of GSK Consumer Healthcare, a joint venture between GSK and Novartis. Emma joined the GSK Board on 1 January 2017 and will formally succeed Sir Andrew Witty as GSK CEO when he retires on 31 March 2017.

Prior to joining GSK, Emma worked with L'Oreal for 17 years where she held a variety of marketing and general management roles in Paris, London and New York. From 2007, she was based in Shanghai as General Manager, Consumer Products for L'Oreal China. Emma was a Non-Executive Director of Diageo plc from 1 January to 21 September 2016. She holds an MA in Classics and Modern Languages from Oxford University.

Dr Vivienne Cox, Independent Non-Executive Director

Vivienne has wide experience of business gained in the energy, natural resources and publishing sectors. She also has a deep understanding of regulatory and government relationships. She worked for BP plc for 28 years, in Britain and Continental Europe, in posts including Executive Vice President and Chief Executive of BP's gas, power and renewable business and its alternative energy unit. Vivienne was previously a Non-Executive Director of BG Group plc and Rio Tinto plc. Vivienne was appointed Commander of the Order of the British Empire in the 2016 New Year Honours for services to the UK Economy and Sustainability.

Vivienne is Senior Independent Director at Pearson plc, a Non-Executive Director of Stena International and Chairman of the Supervisory Board of Vallourec, a supplier to the energy industry. She is also Lead Independent Director at the UK Government's Department for International Development.

Dr Patrick Vallance, President, R&D

Patrick joined GSK in 2006 as Head of Drug Discovery and was subsequently appointed Senior Vice President, Medicines Discovery and Development. He has been a member of GSK's Corporate Executive Team since 2010 and was appointed President, Pharmaceuticals R&D in January 2012. Patrick joined the GSK Board on 1 January 2017.

Prior to joining GSK, Patrick was a clinical academic and, as Professor of Medicine, led the Division of Medicine at University College London. He has over 20 years' experience of research clinical medicine, general internal medicine, cardiovascular medicine and clinical pharmacology. He was elected to the Academy of Medical Sciences in 1999.

Patrick is a Non-Executive Director of Genome Research Limited and UK Biobank.

Biographies of the Directors standing for re-election

Philip Hampton, Non-Executive Chairman

Prior to joining GSK, Philip chaired major FTSE 100 companies including The Royal Bank of Scotland Group plc and J Sainsbury plc. He has also served as Group Finance Director at Lloyds TSB Group, BT Group plc, BG Group plc, British Gas plc and British Steel plc. Philip was previously appointed an Executive Director of Lazard's and a Non-Executive Director at RMC Group plc and Belgacom SA. Until 2009, he was Chairman of UK Financial Investments Limited, which manages the UK Government's shareholdings in banks.

Philip is currently the Senior Independent Director of Anglo American plc, Chairman of its Remuneration Committee and member of its Audit Committee. He is also Chair of the Hampton-Alexander Review on FTSE Women Leaders, an independent review on improving gender balance in FTSE leadership.

Simon Dingemans, Chief Financial Officer

Prior to joining GSK, Simon had over 25 years of experience in investment banking at SG Warburg and Goldman Sachs. Simon advised GSK for over a decade before his appointment and was closely involved in a number of GSK's key strategic projects.

Simon is Deputy Chairman of the 100 Group of Finance Directors, having been Chairman from 2014 to early 2017.

Professor Sir Roy Anderson, Independent Non-Executive Director

Professor Sir Roy is a world-renowned medical scientist with advanced knowledge of infectious disease epidemiology, and is currently Professor of Infectious Disease in the Faculty of Medicine, Imperial College, London. He is a Fellow of the Royal Society, the Academy of Medical Sciences and the Royal Statistical Society. He is an Honorary Fellow of the Institute of Actuaries and a Foreign Associate Member of the National Academy of Medicine at the US National Academy of Sciences and the French Academy of Sciences. Professor Sir Roy brings scientific expertise to the Board's deliberations.

Professor Sir Roy is a member of the International Advisory Board of Holdingham Group and he is a member of the Science Advisory Board of the Natural History Museum, London. He is also a member of the Vaccine International Advisory Board (VACCIAB) of AJ Pharma Holding Sdn. Bhd in Malaysia, the International Alzheimer's Consortium at Harvard University, Boston and Chairman of the Scientific Advisory Board (SAB) of the Netherlands Centre for One Health (NCOH).

Vindi Banga, Senior Independent Non-Executive Director

Prior to joining GSK, Vindi spent 33 years at Unilever plc, where his last role (amongst several senior positions) was President of the Global Foods, Home and Personal Care businesses, and he was a member of the Unilever Executive Board. Vindi sat on the Prime Minister of India's Council of Trade & Industry from 2004 to 2014, and was on the Board of Governors of the Indian Institute of Management (IIM), Ahmedabad. Vindi is also the recipient of the Padma Bhushan, one of India's highest civilian honours. Between 2015 and 2016, Vindi was a Non-Executive Director of Thomson Reuters Corp and a member of its HR Committee.

Vindi is a partner at private equity investment firm Clayton Dubilier & Rice. He is also Chairman of the Supervisory Board of Mauser Group, Chairman of Kalle GmbH, Senior Independent Director of Marks & Spencer Group plc and a member of its Nominations and Remuneration Committees. Vindi is on the Governing Board of the Indian School of Business (ISB), Hyderabad, and is a member of the Indo UK CEO Forum.

Lynn Elsenhans, Independent Non-Executive Director

Lynn has a wealth of experience of running a global business and significant knowledge of the global markets in which GSK operates. She served as Chair, President and Chief Executive Officer of Sunoco Inc. from 2009 to 2012. Prior to joining Sunoco in 2008 as President and Chief Executive Officer, Lynn worked for Royal Dutch Shell, which she joined in 1980, and where she held a number of senior roles, including Executive Vice President, Global Manufacturing from 2005 to 2008.

Lynn is a Non-Executive Director of Baker Hughes Inc. and Flowserve Corporation, a Director of the Texas Medical Center, and a Non-Executive Director of The First Tee of Greater Houston. She is also a Trustee of the United Way of Greater Houston.

Dr Jesse Goodman, Independent Non-Executive Director & Scientific Expert

Dr Goodman previously served in senior leadership positions at the US Food and Drug Administration (FDA), including most recently as the FDA's Chief Scientist and previously as Deputy Commissioner for Science and Public Health and as Director of the Center for Biologics Evaluation and Research (CBER). Dr Goodman played a leadership role in developing the FDA's Regulatory Science and Medical Countermeasures Initiatives and has worked collaboratively with industry, academia, government and global public health and regulatory partners to prepare for and respond to major public health threats, including emerging infectious diseases, disasters and terrorism. He led the FDA's response to West Nile Virus and to the 2009 H1N1 influenza pandemic and served on the Senior Leadership Team for the 2010 White House Medical Countermeasure Review. Dr Goodman brings scientific and public health expertise to the Board's deliberations.

Dr Goodman, currently Professor of Medicine at Georgetown University, directs the Georgetown University Center on Medical Product Access, Safety and Stewardship (COMPASS) and is an active clinician who serves as Attending Physician in Infectious Diseases. He also serves as President and Member of the Board of the United States Pharmacopeia (USP) and as a member of the Scientific Advisory Board (SAB) of the Coalition for Epidemic Preparedness Innovations (CEPI).

Judy Lewent, Independent Non-Executive Director

Judy has extensive knowledge of the global pharmaceutical industry and of corporate finance, having joined Merck & Co in 1980 and then served as Chief Financial Officer from 1990 to 2007 when she retired. Judy was previously a Non-Executive Director of Purdue Pharma Inc, Napp Pharmaceutical Holdings Limited and certain Mundipharma International Limited companies until 31 December 2014. Judy previously served as a Non-Executive Director of Dell Inc., Quaker Oats Company and Motorola Inc.

Judy is a Non-Executive Director of Thermo Fisher Scientific Inc and Motorola Solutions Inc. She is also a Trustee of the Rockefeller Family Trust and Chairperson of the Audit Committee of Rockefeller Financial Services, a life member of the Massachusetts Institute of Technology Corporation and a member of the American Academy of Arts and Sciences.

The Board has determined that Judy has recent and relevant financial experience, and agreed that she has the appropriate qualifications and background to be an audit committee financial expert.

Urs Rohner, Independent Non-Executive Director

Urs has a broad range of business and legal experience having served as Chairman on a number of Boards, most recently for Credit Suisse, a world-leading financial services company. Prior to joining Credit Suisse in 2004, Urs served as Chairman of the Executive Board and CEO of ProSieben and ProSiebenSat.1 Media AG. This followed a number of years in private practice at major law firms in Switzerland and the US, having been admitted to the bars of the canton of Zurich in 1986 and the state of New York in 1990.

Urs is currently Chairman of the Board of Credit Suisse Group AG and of the Chairman's and Governance Committee. He is also Chairman and member of the Board of Trustees of Credit Suisse Research Institute and Credit Suisse Foundation. Urs was appointed Vice-Chairman of the Governing Board of the Swiss Bankers Association in 2015.

In accordance with the Code, all of the other Directors will stand for re-election to the Board.

Date of original election at AGM

Professor Sir Roy Anderson	2008
Simon Dingemans & Judy Lewent	2011
Lynn Elsenhans	2013
Philip Hampton & Urs Rohner	2015
Vindi Banga & Dr Jesse Goodman	2016

Following a formal evaluation process, the Chairman is satisfied that each of the Directors standing for re-election continues to perform effectively and demonstrates commitment to his or her role, including commitment of time to Board and Committee meetings and his or her other duties.

Professor Sir Roy Anderson has served as a Non-Executive Director for more than nine years and his performance has been subject to a rigorous review. The Board has concluded that he continues to be an effective Non-Executive Director. Professor Sir Roy Anderson has been appointed to the newly established Science Committee, as announced on 19 December 2016, and to ensure effective continuity he has agreed to seek re-election at this AGM for a further year.

Led by the Senior Independent Director, the Non-Executive Directors met without the Chairman present to consider the Chairman's performance. The Senior Independent Director and other Non-Executive Directors are satisfied that the Chairman is performing effectively and demonstrates commitment to his role, including commitment of time to Board and Committee meetings and his other duties.

All the Non-Executive Directors have letters of appointment rather than service contracts. Emma Walmsley, Dr Patrick Vallance and Simon Dingemans have service contracts with notice periods of 12 months. The Non-Executive Directors' letters of appointment and Executive Directors' service contracts are available for inspection as specified in Note (vii).

Resolutions 15 and 16 – To authorise the Audit & Risk 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 from the end of the meeting until the next such meeting. PricewaterhouseCoopers LLP (PwC) have indicated that they are willing to continue as the company's auditors for a further year. The Audit & Risk Committee has reviewed PwC's effectiveness and the effectiveness of their audit process and recommends their re-appointment. You are asked to authorise the Audit & Risk Committee to re-appoint them and, following normal practice, to authorise the Audit & Risk Committee to determine their remuneration. Details of the company's policy with regard to the appointment of auditors, tendering the audit contract, the allocation of non-audit work and details of work undertaken by the auditors and their remuneration are given in our Annual Report, which can be viewed on www.gsk.com.

GSK conducted a tender of its external audit during 2016 and announced on 13 December 2016 that it intends, subject to shareholder approval which is to be requested at the 2018 AGM, to appoint Deloitte LLP as the company's external auditor for the financial year ending 31 December 2018 onwards. The financial year ending 31 December 2017 will therefore be the last financial year for which authority to appoint PwC as GSK's external auditor will be requested.

Special Business

For a resolution proposed as a special resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 17 – Donations to political organisations and political expenditure (ordinary resolution)

With effect from 1 January 2009, to ensure a consistent approach to political contributions across the GlaxoSmithKline group (the Group), the company introduced a global policy to voluntarily stop making political donations.

The Act requires companies to obtain shareholder approval before they can make donations to EU political parties, other political organisations or independent election candidates, or incur EU political expenditure. The company does not make and does not intend to make donations to political parties, other political organisations or independent election candidates, nor does it incur, or intend to incur, EU political expenditure, within the ordinary meaning of those words. However, the definitions of political donations, political expenditure and political organisations used in the Act are very wide. In particular, the definition of political organisations may 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. As a result, the definitions may cover legitimate business activities not in the ordinary sense considered to be political donations or political expenditure. Such activities are not designed to support any political party or independent election candidate or to influence public support for any political party or independent election candidate. The authority which the Board is requesting is a precautionary measure to ensure that the company and its subsidiaries do not inadvertently breach the Act, and will be capped at £100,000 for the next year. No payments have been made under previous authorities given in this regard.

Resolution 18 – Authority to allot shares (ordinary resolution)

This resolution would give the Directors authority to allot unissued share capital with a nominal value of up to £409,708,980 (representing 1,638,835,920 Ordinary Shares of 25 pence each) which, as at 3 March 2017, being the latest practicable date prior to the publication of this Notice, represented 33.33% of the issued share capital of the company (excluding Treasury shares).

The authority sought under this resolution will expire on the earlier of close of business on 30 June 2018 (being the last date by which the company must hold an AGM in 2018) and the conclusion of the AGM to be held by the company in 2018.

The Directors have no present intention to exercise the authority sought under this resolution, except to fulfil the company's obligations under its executive and employee share plans.

Resolutions 19 and 20 – Disapplication of pre-emption rights (special resolutions)

Resolutions 19 and 20 would give the Directors power to allot equity securities (or sell any equity securities which the company holds in treasury) for cash without first offering them to existing shareholders in proportion to their existing holdings.

The power set out in resolution 19 would be, similar to previous years, limited to (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Directors otherwise consider necessary, or (b) otherwise up to an aggregate nominal amount of £61,462,493 (representing 245,849,972 Ordinary Shares). This aggregate nominal amount represents approximately 5% of the issued Ordinary Share capital (excluding Treasury shares) as at 3 March 2017, the latest practicable date prior to publication of this Notice.

Resolution 20 is intended to give the company flexibility to make non-pre-emptive issues of Ordinary Shares in connection with acquisitions and other capital investments as contemplated by the Pre-Emption Group's Statement of Principles (the Pre-emption Principles). The power under resolution 20 is in addition to that proposed by resolution 19 and would be limited to allotments or sales of up to an aggregate nominal amount of £61,462,493 (representing 245,849,972 Ordinary Shares). This aggregate nominal amount represents approximately 5% of the issued Ordinary Share capital (excluding Treasury shares) as at 3 March 2017, the latest practicable date prior to publication of this Notice.

These disapplication authorities are in line with the authority sought at the 2016 AGM, and with institutional shareholder guidance, in particular the Pre-emption Principles. The Pre-emption Principles were revised in 2015 to allow the authority for an issue of shares otherwise than in connection with a pre-emptive offer to be increased from 5% to 10% of the company's issued Ordinary Share capital, provided that the company confirms that it intends to use the additional 5% authority only in connection with an acquisition or specified capital investment. In May 2016, the Pre-emption Group recommended that this additional 5% authority be sought in a separate resolution, which is the approach that the company has taken this year.

As noted in relation to resolution 18 above, there are no current plans to allot shares pursuant to the authority under resolution 18 except in connection with the company's employee share schemes. However, your Directors wish to ensure that the company has maximum flexibility in managing the Group's capital resources. The Directors do not intend to issue pursuant to the authority under resolution 18 more than 7.5% of the issued share capital of the company on a non pre-emptive basis in any rolling three year period without prior consultation with shareholders (save as permitted in connection with an acquisition or specified capital investment as described above).

The powers under resolutions 19 and 20 will expire at the earlier of the conclusion of the AGM of the company held in 2018 and 30 June 2018.

Resolution 21 – 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. In certain circumstances it may be advantageous for the company to purchase its own shares and the Directors consider it to be desirable for this general authority to be available to provide flexibility in the management of the company's capital resources. Purchases of the company's own shares will be made only if to do so would result in an increase in earnings per share and would be in the best interests of shareholders generally. You are asked to consent to the purchase by the company of up to a maximum of 491,699,944 Ordinary Shares, which, as at 3 March 2017, being the latest practicable date prior to the publication of this Notice, represented just less than 10% of the company's issued share capital (excluding Treasury shares). The authority sought under this resolution will expire on the earlier of close of business on 30 June 2018 (being the last date by which the company must hold an AGM in 2018) and the conclusion of the AGM to be held by the company in 2018. The maximum price which may be paid for an Ordinary Share will be the higher of (i) 105% of the average middle market quotations for the five business days preceding the purchase and (ii) the higher of the price of the last independent trade and the highest current independent purchase bid at the time on the trading venue on which the purchase is carried out. The minimum price which may be paid for an Ordinary Share is its nominal value of 25 pence. The company may either retain any of its own shares which it has purchased as Treasury shares with a view to possible re-issue at a future date, use them to satisfy awards under employee share plans or cancel them. Holding the shares as Treasury shares gives management the ability to re-issue them quickly and cost-effectively and would provide the company with additional flexibility in the management of its capital base.

In any event the company confirms that it does not currently intend to make any further market purchases in 2017. This authority is being sought to preserve flexibility to do so should there be a change in circumstances. The company will review the potential for future share buy-backs during 2018 in line with its usual annual cycle and subject to return and ratings criteria.

The total number of options over Ordinary Shares outstanding as at 3 March 2017, being the latest practicable date prior to the publication of this Notice, was approximately 20 million, representing approximately 0.42% of the issued share capital (excluding Treasury shares). If the authority to buy back shares under this resolution was exercised in full, the total number of options to subscribe for Ordinary Shares outstanding as at 3 March 2017 would, assuming no further Ordinary Shares are issued, represent approximately 0.46% of the issued share capital (excluding Treasury shares).

Resolution 22 – Exemption from statement of the name of the senior statutory auditor in published copies of the auditors' reports (ordinary resolution)

The Act requires that each and every copy of the auditors' reports to the company's shareholders on the Annual Report, and other auditable reports, which are published by or on behalf of the company, must state, where the company's auditors are a firm, the name of the person who signed them in his or her own name as senior statutory auditor in relation to the audit, for and on behalf of the auditors. However, the Act provides an exemption from this requirement if the company considers on reasonable grounds that statement of the individual's name would create, or be likely to create, a serious risk that he or she or any other person would be subject to violence or intimidation.

For many years, the company and its legacy companies, together with its employees, have been the focus of protests by various animal protection groups, some of which have engaged in aggressive, abusive and hostile acts. The Directors therefore believe that it is appropriate that the company should seek to utilise the confidentiality afforded to the senior statutory auditor of the company's auditors under the Act. This resolution therefore seeks shareholder approval for the auditors' reports for the financial year ending 31 December 2017 to omit the name of the senior statutory auditor. The company would give notice to the Secretary of State in the appropriate format if this resolution is passed.

Resolution 23 – Reduced notice of a general meeting other than an AGM (special resolution)

This resolution seeks to renew an authority granted at last year's AGM to allow the company to call general meetings other than an AGM on 14 clear days' notice. Changes made to the Act by The Companies (Shareholders' Rights) Regulations 2009 (the Shareholders' Rights Regulations) increase the notice period required for general meetings of the company to 21 days unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice.

Before the Shareholders' Rights Regulations came into force on 3 August 2009, the company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval. Resolution 23 seeks to preserve this ability. If passed, this resolution will enable the company to retain maximum flexibility to seek shareholder approval for any future changes or transactions that may require such approval. The resolution will be effective until the company's next AGM, when it is intended that a similar resolution will be proposed.

The company confirms that it will give as much notice as practicable, and in particular that it will endeavour to comply with the Code by giving at least 14 working days' notice when calling a general meeting. The company envisages that this authority would only be used in circumstances where a shorter notice period would in the Board's opinion be to the advantage of shareholders as a whole, and where flexibility is merited by the nature of the business of the meeting. Shareholders should note that if the company calls a general meeting on less than 21 clear days' notice, the company will provide a means for all shareholders to vote electronically for that meeting.

Resolution 24 and 25 – Approval of the adoption of the GlaxoSmithKline 2017 Performance Share Plan, and the GlaxoSmithKline 2017 Deferred Annual Bonus Plan (Ordinary resolutions)

Shareholders are asked to approve the adoption of the rules of the GlaxoSmithKline 2017 Performance Share Plan and the GlaxoSmithKline 2017 Deferred Annual Bonus Plan, (together, the “Plans”) to replace the company’s existing plans which expire in 2019. The principal terms of the Plans are set out on the next pages.

The full text of the Plans will be available for inspection from the date of sending this Notice until the close of the AGM at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY and at the company’s registered office, 980 Great West Road, Brentford, Middlesex TW8 9GS. The Plans will also be available at the place of the AGM for at least 15 minutes before and during the meeting.

1 Common features

The following features are common to the Plans.

1.1 Operation

The company’s Remuneration Committee, or any person or group of persons to whom some or all of its functions under the Plans are delegated, is responsible for granting awards to and operating the Plans with regard to Executive Directors and Corporate Executive Team members (together, the “Executives”) and all other eligible employees.

1.2 Eligibility

Employees and Executive Directors of the company and any subsidiaries of the company are eligible to participate in the Plans.

1.3 Timing of operation

Awards will normally be granted under the Plans within 42 days of the announcement of the company’s results for any period but may be granted at other times if there are dealing restrictions in place which prevent Awards being made during this period or the Remuneration Committee considers the circumstances to be exceptional. However, at all times the grant of awards will be subject to the terms of the Market Abuse Regulations for transactions in securities by Directors and the company’s share dealing code. Subject to shareholder approval, the first awards under the GlaxoSmithKline 2017 Performance Share Plan are expected to be granted later in 2017 after the adoption of the Plans at the AGM.

1.4 Grant of awards

Awards may be satisfied with newly issued shares, Treasury shares or shares purchased in the market in conjunction with an employee benefit trust established by the company.

At the discretion of the Remuneration Committee, awards may be granted subject to the participant agreeing to satisfy the employer’s social security liabilities arising on the award.

1.5 Dilution limits

In any 10 year period, not more than 10% of the issued ordinary share capital of the company may be issued or issuable under the Plans and all other employee share plans adopted by the company.

In addition, in any 10 year period, not more than 5% of the issued ordinary share capital of the company may be issued or issuable under the Plans and all other discretionary employee share plans adopted by the company.

These limits do not include awards and options which have lapsed or been surrendered.

So long as this is required under the Investment Association's Principles of Remuneration, the company will include in this calculation any Treasury shares used to satisfy awards granted under the Plans.

1.6 Variation in share capital

Awards may be adjusted at the discretion of the Remuneration Committee following any rights issue, special dividend, de-merger, consolidation, sub-division, reduction or other variation in the share capital of the company.

1.7 Issue of shares

Any shares issued under the Plans will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

1.8 Amendments

The Remuneration Committee may amend the Plans as it considers appropriate. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: eligibility, individual and plan limits, the basis for determining participants' entitlements, adjustment of awards on a variation in the company's share capital and the amendment powers. Shareholder approval is not required for changes that are minor in nature or for changes intended to benefit the administration of the Plans, or to comply with or take account of existing or proposed legislation or any changes in legislation or to secure favourable tax treatment for the company, members of its group or participants.

1.9 Other features

Awards granted under the Plans are not pensionable and are not transferable (except in the case of death).

1.10 Termination

The Plans may be terminated by the Remuneration Committee at any time. Awards may not be granted after the tenth anniversary of the approval of the Plans by shareholders.

1.11 Forfeiture

The Remuneration Committee may reduce grant levels or outstanding awards granted under the Plans that have not yet vested or been exercised if it is determined that a participant has engaged in conduct which is contrary to the legitimate expectations of the company for an employee in the participant's position or pursuant to the company's recoupment policy.

2 GlaxoSmithKline 2017 Performance Share Plan

2.1 Outline

The Remuneration Committee may grant conditional share awards or nil-cost options to selected eligible employees ("Awards").

2.2 Individual limits

The aggregate value (at the time of the grant) of shares subject to all Awards granted to an Executive Director under this plan in any year will not exceed the relevant limit set out in the prevailing Remuneration policy. In applying this limit, no account will be taken of shares representing notional dividends on Awards or shares which have been awarded to ensure that a participant is not financially disadvantaged if he or she agrees to satisfy the employer's social security liability in relation to his or her Award.

2.3 Performance condition

The Remuneration Committee will set performance conditions annually, which must normally be satisfied before an Award can vest. For Executives, the performance conditions will normally be measured over a period of at least three financial years. The Remuneration Committee may change a performance condition if there is a situation which causes it to consider that the changed performance condition would be a fairer measure of performance.

It is the Remuneration Committee's intention to disclose the targets, to the extent that they are not commercially sensitive, for each Award in the announcement to the London Stock Exchange at the time the Award is made. For Awards to be made in 2017, performance will be subject to three equally weighted measures: R&D new product performance, adjusted free cash flow and relative TSR.

2.4 Holding periods

The Remuneration Committee may impose a holding period on an Award which will apply for two years from the date on which the performance condition is determined or for such other period as the Remuneration Committee decides on or before the Award date. Where a holding period applies, Awards will either vest at the end of the holding period or they may vest before the start of the holding period but some or all of the vested shares will be subject to restrictions during the holding period.

2.5 Acquisition of shares

A participant will normally only acquire the shares subject to Awards to the extent that the performance conditions have been satisfied and provided that the participant remains in employment. When shares are acquired, the participant may also receive additional shares (or an equal cash amount) which reflect reinvested dividends that would have been paid on the vested portion of the Award between grant and vesting.

2.6 Leaving employment

If an Executive leaves employment before the outcome of the performance condition is determined due to redundancy, retirement, death, ill-health, injury or disability, the sale or transfer of the Executive's employing business or for any other reason if the Remuneration Committee so decides, then his or her Awards will normally vest on the original vesting date, subject to the satisfaction of the performance conditions over the original period. Alternatively, the Remuneration Committee may decide that the Executive's Awards will vest on cessation or such other date as it decides to the extent that the performance conditions are satisfied over such period as the Remuneration Committee determines. The Executive's Awards will be pro-rated to take account of the time the Executive was employed during the performance period unless the Remuneration Committee decides otherwise.

If an Executive leaves employment for any reason other than those described above, then his or her Awards will lapse when he or she leaves.

If an Executive leaves employment during a holding period, his or her Award will normally vest at the end of the holding period unless he or she leaves for reasons of gross misconduct, in which case his or her Awards will lapse.

Awards held by participants other than Executives who leave employment will be treated in the same way as described above except that where those Awards vest then they will normally vest following the end of the financial year in which cessation occurs rather than on the original vesting date.

2.7 Change of control, de-merger or other reorganisations

Generally, Awards will vest on a change of control taking into account performance to that point. Unless the Remuneration Committee decides otherwise, the number of shares which may be acquired will also be reduced to take account of the shortened performance period.

The Remuneration Committee has the discretion to allow or require rollover of Awards on a change of control. The new Awards will be subject to appropriate performance conditions. On a de-merger or other corporate event affecting the share price, if the Remuneration Committee so decides, Awards may be adjusted or allowed to vest.

3 GlaxoSmithKline 2017 Deferred Annual Bonus Plan

3.1 Outline

Selected employees will have a proportion of their annual bonus deferred into share awards ("Awards"). The Remuneration Committee may grant the Awards as conditional share awards or nil-cost options.

3.2 Acquisition of shares

A participant will only become entitled to the shares subject to his or her Award on or after the vesting of the Award, which will normally be three years after the date on which it was granted. When shares are acquired, the participant may also receive additional shares (or an equal cash amount) which reflect reinvested dividends that would have been paid on the vested shares during the period between grant and vesting.

3.3 Leaving employment

If a participant leaves employment then his or her award will normally vest at the original vesting date but it will lapse immediately if he or she leaves for reasons of gross misconduct.

3.4 Change of control, de-merger or other reorganisations

Awards will vest on a change of control unless the Remuneration Committee decides to allow or require the rollover of Awards. On a demerger or other corporate event affecting the share price, Awards may be adjusted or allowed to vest if the Remuneration Committee so decides.

Additional information

Issued share capital

All references to the company's "issued share capital" in the Explanatory Notes are to the company's issued share capital as at 3 March 2017, which was 4,916,999,468 Ordinary Shares, excluding any Ordinary Shares held as Treasury shares. As at 3 March 2017, the company held 453,205,950 Ordinary Shares as Treasury shares, representing 9.22% of the company's issued share capital (excluding Treasury shares) as at that date. As at 3 March 2017, the total number of voting rights in the company was 4,916,999,468.

The following information is provided in respect of Part 6 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008:

Share capital and control

The company's shares are listed on the London Stock Exchange and are also quoted on the New York Stock Exchange in the form of American Depositary Shares (ADS). Each ADS represents two Ordinary Shares.

The holders of Ordinary Shares are entitled to receive dividends when declared and the company's Annual Report, to attend and speak at general meetings of the company, to appoint proxies and to exercise voting rights.

There are no restrictions on transfer, or limitations on the holding of Ordinary Shares, and no requirements to obtain prior approval for any transfers. No Ordinary Shares carry any special rights with regard to control of the company and there are no restrictions on voting rights. Major shareholders have the same voting rights per share as all other shareholders. There are no known arrangements under which financial rights are held by a person other than the holder of the shares and no known agreements or restrictions on share transfers or on voting rights.

Shares acquired through GSK share schemes and plans rank equally with the other shares in issue and have no special rights. The trustees of the company's Employee Share Ownership Plan Trusts have waived their rights to dividends on shares held by the Trusts.

Change of control

The company is not party to any significant agreements that would take effect, alter or terminate upon a change of control following a takeover bid.

The company does not have agreements with any Director or Officer that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the company's share plans may cause options and awards granted under such plans to vest on a takeover.

Interests in voting rights

Details of the notifiable interests in the total voting rights in the company's issued share capital are given in the 2016 Annual Report.

Information provided to the company pursuant to the Financial Conduct Authority's Disclosure and Transparency Rules is published on a Regulatory Information Service and on the company's website, www.gsk.com.

The company has not acquired or disposed of any interests in its own shares. However, the company has transferred shares from Treasury to satisfy awards under the Group's share plans. Details of the shares purchased, cancelled and held in Treasury are given in the Annual Report.

Directors

The interests of Directors and their persons closely associated in the issued share capital of the company are given in the 2016 Annual Report.

The rules about the appointment and replacement of Directors are contained in the company's Articles of Association. The company's Articles must be approved by shareholders in accordance with the legislation in force from time to time and may be amended by a special resolution of the members.

The Articles provide that Directors may be appointed by an ordinary resolution of the members or by a resolution of the Directors, provided that, in the latter instance, a Director appointed in this way retires at the first AGM following his or her appointment.

The Articles also require that at every AGM certain of our current Directors retire by rotation and detail the circumstances in which and how they may be re-elected. However, the Board has decided that all Directors who wish to stand for re-election will retire at the AGM on 4 May 2017 in accordance with the UK Corporate Governance Code. The company's members may remove a Director by passing an ordinary resolution of which special notice has been given or by passing a special resolution.

A Director will automatically cease to be a Director if (i) he or she becomes bankrupt or compounds with his or her creditors generally, (ii) he or she is or has been suffering from mental or physical ill health and the Board resolves that his or her office is vacated, (iii) he or she has missed Directors' meetings for a continuous period of six months without permission and the Board resolves that he or she shall cease to be a Director, (iv) he or she is prohibited from being a Director by law, (v) he or she ceases to be a Director by virtue of UK companies legislation or is removed from office pursuant to the company's Articles of Association, (vi) he or she resigns, (vii) he or she offers to resign and the Board accepts that offer, or (viii) his or her resignation is requested by all of the other Directors and all of the other Directors are not fewer than three in number.

The powers of the Directors are determined by UK legislation and the company's Articles of Association, available on www.gsk.com. As provided in those Articles, the Directors may exercise all the company's powers provided that the Articles or applicable legislation do not stipulate that any such powers must be exercised by the members. The Directors have been authorised to issue and allot Ordinary Shares, and have authority to make market purchases of shares. Renewal of these authorities is sought from shareholders at each AGM. Any shares purchased may be cancelled or held as Treasury shares.

Information on how to vote electronically

Voting using Shareview

If you have a Shareview portfolio, you may register your vote electronically by visiting www.shareview.co.uk, and log onto your portfolio using your user ID and password. Once logged in, simply click “View” on the “My Investments” page, click on the link to vote then follow the on screen instructions.

Voting using Sharevote

You may register your vote electronically by logging on to www.sharevote.co.uk using the Voting ID, Task ID and Shareholder reference number printed on your enclosed proxy form and following the instructions provided. If you would like to cast your vote electronically you need to do so by 2.30pm on Tuesday 2 May 2017.

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 or proxies 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 AGM to be held on Thursday 4 May 2017 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed a voting service provider or providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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 Euroclear’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 is an amendment to an instruction to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent, Equiniti ID RA19 by 2.30pm on Tuesday 2 May 2017.

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 Euroclear 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 or providers, 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.



GlaxoSmithKline plc
980 Great West Road
Brentford
Middlesex
TW8 9GS