AUDIT & RISK COMMITTEE

TERMS OF REFERENCE
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(Approved by the Board on 3 February 2005
Last updated on 18 December 2019)

Role

The Committee reviews the financial reporting process, the integrity of the Company's financial statements, the external and internal audit process, the system of internal control and the identification and management of risks, and the Company's process for monitoring compliance with laws, regulations and ethical codes of practice.

Membership

<table>
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<tr>
<th>Chairman</th>
<th>Judy Lewent</th>
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| Members  | Lynn Elsenhans  
Vindi Banga 
Dr Laurie Glimcher |
| In attendance | Chairman  
Chief Executive Officer  
Chief Financial Officer  
All other Directors  
General Counsel  
Chief Scientific Officer and President, R&D  
Head of Audit & Assurance  
Corporate Financial Controller  
Head of Global Ethics and Compliance  
Chief Medical Officer  
Representatives from the Company's External Auditors |
| Secretary | Company Secretary |

Constitution

1. The Board has established a Committee of the Board known as the Audit & Risk Committee (the "Committee").

Membership

2. The Committee shall comprise a minimum of three independent Non-Executive Directors appointed by the Board, on the recommendation of the Nominations Committee in consultation with the Committee Chairman.

3. Each of the members of the Committee shall be independent Non-Executive Directors, as determined by the Board of the Company, in accordance with the provisions of the UK Corporate Governance Code (the "UK Code") and US federal securities laws and regulations. In particular no member of the
Committee may receive any consulting, advisory or compensatory fee from the Company other than as a member of the Committee, the Board or any other Board Committee, nor may they be an affiliate of the Company or its subsidiaries.

4. Each of the members of the Committee should have experience working with financial and accounting matters.

5. The Company's Annual Report on Form 20-F shall state each year the number and names of the persons that the Board of Directors has determined to be an 'Audit Committee Financial Expert', as required by the US Sarbanes-Oxley Act of 2002, and have "Recent and Relevant Financial Experience", as set out in the UK Code, or explain why none have been so determined. The Committee as a whole shall have competence relevant to the sector in which the Company operates.

6. The Chairman of the Board shall not be a member of the Committee, but may be invited to attend its meetings.

7. Committee members shall serve for an initial period of up to three years, which may normally be extended by no more than two additional three year periods provided each member continues to be independent.

8. The Committee Chairman shall be appointed by the Board, following receipt of a proposal from the Nominations Committee and shall have, ideally, served as a member on the Committee for at least one year beforehand.

9. The Committee Chairman shall, in conjunction with the Nominations Committee, review membership of the Committee as part of the annual performance evaluation of the Committee, taking into account the tenure served by Committee members.

10. The Committee Chairman and members of the Committee shall be identified in the Committee’s Report to shareholders in the Annual Report.

Quorum

11. The quorum shall be two members.

12. In the absence of the Committee Chairman or an appointed deputy, the remaining members present shall elect one of the members to chair the meeting.

Attendance at meetings

13. The Chairman of the Board, Chief Executive Officer, CEO Designate, Chief Financial Officer, Chairman, Global Vaccines, General Counsel, Corporate Financial Controller, Head of Audit & Assurance, Head of Global Ethics and Compliance, Chief Medical Officer and a representative of the external auditors shall normally attend meetings, although the Committee may meet without any executives of the Company being present. All Board members are invited to attend the meetings.

14. The Committee shall as required meet privately with the external auditors at the end of each face to face meeting.

15. At least once a year the Committee shall meet separately with:

   o the external auditors;
   o the Head of Audit & Assurance; and
   o the Head of Global Ethics and Compliance;
without the Executive Directors and other management being present.

Committee Secretary

16. The Company Secretary shall be the Secretary of the Committee.

Structure and Frequency of meetings

17. The Committee meetings shall normally be split into two parts. The first part of the meeting shall consider fundamental auditing aspects of the Committee’s role, such as receiving reports from the external auditors. The second part shall consider new business unit and corporate function reports together with enterprise-wide risk reports that normally cover each of the six principal enterprise risks in turn, and reports on the outcome of Strategic Review Evaluations and other issues of relevance or topical interest. Meetings shall be held not less than four times a year and otherwise as required. The external auditors or a Committee member may request a meeting if they consider that one is necessary.

Annual General Meeting

18. The Committee Chairman shall attend the Company’s Annual General Meeting and be prepared to respond to shareholder questions on the Committee’s activities.

Authority

19. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee or co-worker. All employees and co-workers are directed to co-operate with any request made by the Committee.

20. The Committee is authorised by the Board to obtain, at the Company’s expense, outside legal, accounting or other independent professional advice on matters falling within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

21. The Committee is authorised by the Board to have the right to publish in the Company’s Annual Report details of any issues that cannot be resolved between the Committee and the Board.

Duties

22. During their tenure, each of the Committee members shall consider their duties and responsibilities under section 172 of the Companies Act 2006 in performing their role. The Committee shall carry out the duties set out below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate. The Committee shall, in a way that complies with the responsibilities of audit committees as laid out in the Financial Conduct Authority’s Disclosure Guidance and Transparency Rules:

Financial Reporting

(a) 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, including the strategic report and corporate governance 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) whether the Company has made appropriate estimates and judgments, taking into account the external auditor's views on the financial statements;

(vi) significant adjustments resulting from the external audit and any unadjusted items identified during the external audit;

(vii) 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;

(viii) compliance with accepted accounting standards; and

(ix) compliance with relevant US and UK regulatory and legal requirements;

(b) where requested by the Board, to 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;

**External Auditors**

(c) oversee the selection and propose the appointment, re-appointment and removal of the external auditors to the Company's shareholders and obtain their consent to the Committee approving the remuneration of the external auditors. The Committee shall have regard to the relevant regulations of the Competition and Markets Authority Order, in particular the requirement for the Company to put its statutory audit out to tender at least once every 10 years, and the European Union Regulation and Directive on mandatory audit contract tendering and audit firm rotation respectively as implemented in the UK in the Companies Act, and shall conduct any such tender;

(d) be directly responsible for the remuneration, effectiveness and oversight of the work of the external auditors performed for the purpose of the external audit. Such oversight shall include the:

- selection procedure for the appointment of audit firms;
- engagement letter;
- scope of the external audit and external audit plan;
- external audit fee;
- audit representation letters from management to the external auditors; and
- resolution of any disagreements between management and the external auditor regarding financial reporting;
(e) pre-approve or otherwise approve in advance all audit and non-audit services (other than those expressly prohibited) undertaken by the Company's external auditors;

(f) develop and recommend to the Board the Company's policy in relation to the provision of non-audit services by the auditor, taking into account legal requirements, and keep the policy under review;

(g) ensure that procedures are in place to record all non-audit services undertaken by the Company's external auditors in the Company's Annual Report;

(h) require the external auditor to include the following matters in their reports to the Committee:
   - all critical accounting policies and practices used by the Company;
   - all alternative accounting treatments which have been discussed with management and the resultant conclusion by the external auditors;
   - all material written communications between the external auditors and the Company's management;
   - any material internal control failures; and
   - any scope restrictions or any restrictions on access to information;

(i) receive and discuss periodic reports from the external auditors regarding their independence, including being satisfied that there are appropriate safeguards in place to ensure that any non-audit services provided by the external auditors are compatible with the maintenance of that independence;

(j) assess annually the qualifications, expertise, resources, independence and objectivity of the external auditors and the effectiveness of the external audit process. This review shall include all aspects of the audit services provided by the external auditor and take into consideration relevant professional and regulatory requirements;

(k) in the event that the Company's external auditor resigns, conduct an investigation to understand the reasons for their resignation and consider whether any action is required;

(l) 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;

(m) discuss with the external auditors before the external audit commences the nature and scope of the external audit;

(n) discuss problems and reservations arising from the external audit and any matters the external auditors may wish to discuss (in the absence of management where necessary);

(o) review the external auditors' audit reports and presentations and management's response with particular focus on major issues arising from the external audit, significant judgements taken and level of errors identified in the external audit;

**Global internal control & compliance**

(p) approve the appointment, removal or replacement of the Head of Audit & Assurance and periodically to review their objectivity;

(q) 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;
monitor and review the effectiveness of Audit & Assurance and the Risk Oversight & Compliance Council especially in the context of the Company's risk management system;

ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate effectively, ensure there is open communication between different functions, and ensure that the internal audit function has appropriate standing in the Company and is equipped to perform in accordance with appropriate professional standards for internal auditors;

to ensure the internal auditor has direct access to the Board Chairman and to the Committee Chairman;

to monitor co-ordination between the internal and external auditors and to request internal audit to undertake specific audit projects, having informed management of their intentions;

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 them with assurance of the robustness of their assessment and management of principal risks prior to the Board making their statement thereon;

have oversight of the Group's compliance with section 404 of the US Sarbanes-Oxley Act of 2002;

review throughout the year integrated Assurance reports comprising business unit, corporate function and associated consolidated Internal Audit reports in line with the schedule in the annual Assurance Plan;

review at each meeting significant issues (e.g., internal audit, compliance, outcomes of government investigations) within business units and other corporate functions, in addition to details of significant changes to the Group's internal control framework;

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;

monitor the 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;

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 their statement in the Annual Report;

consider the findings of major internal investigations and management's response;

review throughout the year Group procedures for compliance with any applicable sanctions regimes;

review throughout the year Group procedures for detecting fraud;

review throughout the year Group procedures and controls for prevention of bribery and receive reports on non-compliance;
(gg) 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;

(hh) 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 internal
auditors or the external auditors;

(ii) 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 on 27 December 2000;

(jj) receive an annual report from the Chief Executive Officer and the Chief Financial Officer that they
have disclosed to the Committee and to the external auditors all significant deficiencies in internal
control which could adversely affect the Company’s ability to record and report financial data;

(kk) in conjunction with the Corporate Responsibility Committee, to have oversight of and recommend
to the Board on an annual basis approval of the Company’s Modern Slavery and Trafficking
Statement to be published on GSK’s website under the provisions of the Modern Slavery Act
2015.

**Whistleblowing**

(ii) 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 of Conduct and
any other relevant matter;

(mm) 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; and

**Other Matters**

(nn) consider other relevant matters, as requested by the Board.

**Authorised Investment Instruments and Counterparty Limits**

23. The Committee shall, 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.

**Corporate Governance / Regulatory Developments**

24. The Committee shall monitor the progress of any relevant corporate governance or regulatory
developments that may impact the Committee and recommend any action or changes it considers
necessary to the Board for approval.
Performance Appraisal & Review

25. The Committee shall review at least annually its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Resources and Training

26. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company’s Secretariat for assistance as required.

27. The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

Risk Oversight & Compliance Council (ROCC)

28. The Committee will be assisted in undertaking its duties by the ROCC.

Disclosure Committee

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

Reporting Procedures & Responsibilities

30. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

31. The Committee shall make regular reports, including in relation to any significant issues it considered in relation to the financial statements and 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 make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

32. 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.

33. 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:

(a) a summary of the role and work of the Committee;
(b) how the Committee’s performance evaluation has been conducted;
(c) 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;
(d) 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;
(e) 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 tendering plans; and
(f) where the external auditor provides non-audit services, an explanation of how auditor objectivity and independence is safeguarded.
Publication of Terms of Reference

34. These Terms of Reference shall be made available on the Company’s website.

Notes

Updated to reflect:

- the retirement of Sir Peter Job from the Committee with effect from 31 December 2004;
- the appointment of Sir Deryck Maughan as a member of the Committee with effect from 21 January 2005;
- the appointment of Mr de Swaan as a member of the Committee with effect from 1 January 2006;
- the appointment of Mr de Swaan as Chairman of the Committee with effect from September 2006. Dr Schmitz, formerly Chairman, remained a member of the Committee;
- amendments to the Combined Code 2006;
- the appointment of Dr Daniel Podolsky as a member of the Committee with effect from 1 January 2007;
- the extension of the duties of the Committee to include oversight of the Group’s compliance with section 404 of the US Sarbanes-Oxley Act of 2002;
- the retirement of Sir Ian Prosser and Dr Ronaldo Schmitz with effect from 20 May 2009;
- the appointment of Professor Sir Roy Anderson with effect from 20 May 2009;
- the Committee’s role in overseeing the identification and management of risk with effect from 10 December 2009;
- the adoption of the UK Corporate Governance Code which replaced the Combined Code with effect from 1 July 2010;
- the appointment of Stacey Cartwright and Judy Lewent with effect from 1 April 2011;
- amendments to the UK Corporate Governance Code;
- the appointment of Ms Judy Lewent as Chairman of the Committee with effect from 1 January 2013. Mr de Swann, formerly Chairman, remained a member of the Committee;
- the retirement of Sir Robert Wilson and Professor Sir Roy Anderson with effect from 1 May 2013;
- the appointment of Jing Ulrich with effect from 1 May 2013;
- amendments to the UK Corporate Governance Code;
- the appointment of Lynn Elsenhans from 1 January 2014;
- amendments to the UK Corporate Governance Code and other relevant best practice developments;
- the retirements of Tom de Swaan and Jing Ulrich from the Committee on 7 May 2015;
- best practice and legislative developments;
- the appointment of Vindi Banga with effect from 1 January 2016;
- the retirements of Sir Deryck Maughan and Dr Daniel Podolsky on 5 May 2016;
- the assignment to the Committee by the Board on 21 July 2016 of the specific responsibility for approving changes to GSK’s Authorised Investment Instruments and Counterparty Limits between Board meetings;
- the retirement of Stacey Cartwright on 31 December 2016;
- best practice and legislative developments;
- the appointment of Dr Laurie Glimcher with effect from 1 September 2017;
- release of the 2018 version of the UK Corporate Governance Code; and
- the annual review of the terms of reference by the Company and its advisers to keep in line with best practice and regulatory developments.