Remuneration

In this section

Remuneration report
Committee Chair's annual statement

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present our Remuneration report for 2022. This includes my annual statement, explaining the Committee's work this year, our annual report on remuneration for 2022, a summary of our Remuneration policy which was approved by shareholders at the 2022 AGM, and details of how we propose to operate the Policy this year.

GSK's Remuneration policy 2022

As detailed last year, we introduced a new Remuneration policy in 2022 to better link executive remuneration to delivery of outperformance.

The new arrangements were designed to reward the delivery of the bold new performance ambitions set out at our Investor Update in 2021 – to deliver sales growth of more than 5% CAGR and adjusted operating profit growth of more than 10% CAGR from 2021 to 2026. These ambitions represent a step-change in performance for the Group and achievement of them should deliver top quartile performance for our sector.

The Committee concluded that the design of its existing Remuneration policy framework remained fit for purpose. However, given that driving long-term performance through consistent year-on-year improvement was the main aim behind these targets, changing the short-term Annual Bonus plan was determined to be the key imperative.

The main change to the plan was to significantly reduce the Annual Bonus opportunity for below-target performance while increasing the Annual Bonus opportunity for 'exceptional performance' to 300% of salary. The increase in overall Annual Bonus opportunity does not increase the cash reward opportunity, as any incremental reward is delivered in the form of shares deferred for three years.

The Committee is very aware of the sensitivity amongst stakeholders to levels of executive pay.

We engaged extensively with shareholders to gain their views and feedback on these changes. Please see the table below which sets out the full details of this process.

As a result, we made adjustments to quantum, clarity on disclosure of outcomes, and transparency in relation to the targets set, that all feature in the final policy.

At the 2022 AGM, the new policy was approved with 62% of shareholders voting in favour, but the Committee recognises that a significant minority of shareholders voted against. Following the AGM, the Committee ensured continued consultation with shareholders to understand the full range of views, including those who voted against the proposals. The Committee thanks shareholders for their feedback and remains committed to engaging on remuneration. It continues to believe that incentivising outperformance against stretching targets will create long-term value for shareholders. Noting that no new issues were raised, the Committee is comfortable that no further change is required to the Annual Bonus plan. The Committee will review with shareholders the evolving needs of the business in advance of the renewal of our Remuneration policy in 2025.

Two administrative amendments to the 2022 Remuneration policy are being proposed for shareholder approval at the 2023 AGM. Further details are set out on page 163.

2022 remuneration outcomes

The very strong operating performance for GSK in the first year of the new remuneration arrangements has highlighted the importance of incentivising exceptional performance.

As set out earlier in the Annual Report, in 2022 the Group delivered strong sales growth of Vaccines and Specialty Medicines and double-digit growth in operating profit and earnings per share.

2022 Remuneration policy engagement

Details of the extensive consultation by the Committee and company Chairs regarding the 2022 Remuneration policy prior to the 2022 AGM vote and continuing engagement with shareholders afterwards, are set out below.

Engagement events		Dates	Investor participation	Share capital represented
Initial individual consultation meetings		October to November 2021	5 of the largest 15 shareholders	12%
2021 Annual Governance Meeting:	invitations	November 2021	60 investors	50%
	attendance	December 2021	13 investors	15%
Follow-up letter after Annual Governance Meeting to non-attendees, setting out proposed Remuneration policy asking for input via meeting with the Remuneration Committee and company Chairs		January to February 2022	30 investors	35%
Letter circulated advising how feedback was incorporated into the final Remuneration policy to be submitted to the 2022 Annual General Meeting for binding approval		March 2022	40 investors	45%
Meetings held with shareholders prior to AGM		January to April 2022	11 investors	16%
2022 Annual Governance Meeting:	invitations	November 2022	60 investors	50%
	attendance	December 2022	14 investors	25%
Meetings held after the AGM to the publication of this Annual Report		May 2022 to February 2023	20 meetings	35%

The principal proxy advisory firms were also consulted throughout the Remuneration policy process. This included invitations to the Annual Governance Meeting, receipt of engagement letters and meetings with the company and Remuneration Committee Chairs.

Strategic report
Governance and remuneration
Financial statements
Investor information

Committee Chair's annual statement continued

Remuneration awards for the year reflect this excellent operating performance, alongside successful delivery of the demerger of Consumer Healthcare to form Haleon, the largest demerger in Europe for over 20 years.

2022 Annual Bonus

The Bonus outcomes for the CEO and CFO were each determined by reference to performance against stretching total sales, adjusted operating profit and diversity, equity and inclusion (DEI) targets as well as the Committee's assessment of their individual performance against specific strategic and operational measures.

The total sales growth rate was 3.4% above the target growth rate of 6.5% and the adjusted operating profit growth rate was 3.9% above the target growth rate of 12.8%. This led to an overall payout under the financial elements of 149.5% of salary. The targets were set with consideration given to analyst consensus, hence the Committee is comfortable that the payout represents exceptional performance. The full target range is set out on page 139. When combined with the assessment of the non-financial elements, the overall payout was 249.5% of salary for the CEO (149.5% of salary delivered in deferred shares) and 227.5% of salary for the CFO (127.5% of salary delivered in deferred shares).

The Committee believes the Bonus outcomes appropriately reflect the overall performance achieved in 2022. Full details are provided on page 139.

Long-term incentive (LTI) awards

52% of the 2020 Performance Share Plan (PSP) award vested.

Targets were set against pipeline progress (20%), innovation sales (20%), adjusted free cash flow (30%) and relative TSR (30%). Disappointingly there was nil-vesting under relative TSR. However, strong performance against other metrics was evidenced with full vesting under the cash flow element and partial vesting under pipeline progress and innovation sales. This reflects progress in R&D, including positive data for the company's potential new RSV vaccine, and strong sales from products launched over the last five years, including shingles vaccine *Shingrix* which generated sales of £3 billion during the year.

Following a review of contextual factors including previous payouts, the Committee believes that the formulaic outcomes appropriately reflect performance in the round having considered the experience of all stakeholders including shareholders and our employees. The Committee did not deem it necessary to exercise discretion. Incentive awards in relation to 2022 were made in accordance with the 2022 Remuneration policy.

Remuneration policy implementation for 2023

Annual Bonus and LTI performance measures

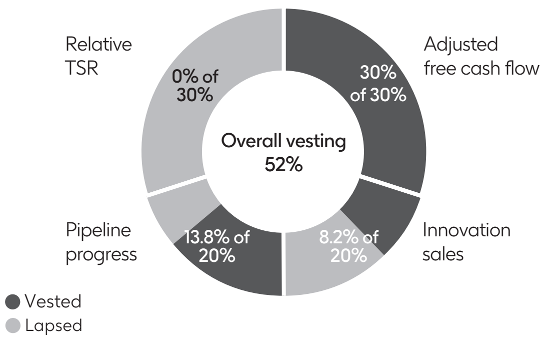
Following changes to the bonus in 2022, for 2023 we are maintaining the performance measures in our incentive plans as they continue to align with our strategic goals.

Annual Bonus measures will be: annual total sales growth (30%); annual adjusted operating profit growth (30%); personal performance against strategic and operational measures (30%); ESG: diversity, equity and inclusion (DEI) (10%).

LTI measures will be: relative TSR (30%), total sales growth over three years (20%); adjusted operating profit growth over three years (20%); pipeline progress (20%); and ESG: environment composite scorecard (10%).

2022 Pay for performance outcome

2020 LTI vesting outcome:
performance period ended 31 December 2022



The nature of the strategic and operational objectives for each Executive Director will be in line with those agreed for the 2022 Annual Bonus. These focus particularly on individual areas of accountability to deliver the company's strategy. For example, the CEO has clear pipeline delivery objectives. Each Executive's objectives also require demonstration of their contribution to leading and living our culture of performance with integrity which the Board believes is a critical lever of long-term value creation for GSK.

The Committee has reflected at length on investor input regarding the most appropriate ESG measures to focus on. One theme which arose during consultation was the possibility of introducing a metric on access to medicines. However, as GSK is already an industry leader in this area, and as it is deeply engrained in the company's culture and values, the Committee felt that it was not necessary to include this as a specific metric in incentives. Instead, the Committee has selected measures aimed at specific GSK challenges and opportunities in environmental sustainability and DEI.

Performance targets have been calibrated to consider a number of internal and external reference points, in particular analyst consensus has been considered for financial metrics where available. The Committee is therefore satisfied that the targets set for 2023 are sufficiently stretching.

Salary

The Committee agreed that the CEO should receive a 4% salary increase for 2023 which is lower than the average increase to the wider workforce in the UK of 5%. In addition to the 5% average salary increase, the company has implemented a number of monetary and non-monetary initiatives for our colleagues in reaction to the cost of living crisis as explained in my statement.

Workforce fairness

In setting executive pay it is important that the Committee does so with a good understanding of the Group's wider workforce pay approach, with an emphasis on fairness and equity.

To that end, on an annual basis, I meet with senior Human Resources Leaders from across the company to understand perspectives on pay and GSK's remuneration arrangements for the wider workforce. This year was the fourth such annual meeting held.

Committee Chair's annual statement continued

How our performance measures align to our strategy

Performance measures	Alignment to strategy	Weighting AB	Weighting LTI
Total sales growth	Ambition of 5% sales growth	30%	20%
Adjusted operating profit growth	Ambition of 10% profit growth	30%	20%
Pipeline	Emphasis on Innovation – rewards acceleration and strengthening of pipeline	–	20%
Relative total shareholder return	Alignment with shareholders	–	30%
ESG ambitions	Nature and Climate ambitions 2022 – DEI Priorities	– 10%	10% –
Strategic and operational	Individual accountability for delivery of our strategy and public ambitions	30%	–

Key AB Annual Bonus LTI Long-term incentives

At the meeting, we discussed how GSK continues to support its diversity aspiration through fair pay processes and proactive reviews and enhancements to its employee benefits. These included:

- new global minimum standards for parental leave and for care of a family member
- review of medical and insured benefits with a focus on equity for same sex couples wherever legally possible and
- new financial education support

Given the very challenging economic environment and cost of living pressures in many countries, management has taken action to support current employees and to attract talent, through competitive salary increases, one-off support payments to staff at lower grades, and enhancements to workforce wellbeing programmes.

At the start of 2022, changes were also made to the Annual Bonus plan below the GLT level to reflect a greater focus on performance. The new plan has been generally well received and first payments will be made in Q1 2023.

Director changes

In August 2022, Dr Hal Barron transitioned, as planned, from his role as CSO to a non-independent Non-Executive Director. Dr Barron was contractually entitled to receive a pro-rated target bonus in respect of 2022. He did not receive an LTI grant in 2022.

We also announced the appointment of Julie Brown as CFO from May 2023, when Iain Mackay will step down from the Board. As previously communicated, Mr Mackay will continue to receive his base salary until he leaves GSK at the end of the year and will be eligible to receive an Annual Bonus in respect of 2023. He will not be eligible to receive any further LTI awards and will receive no salary increase in 2023. Full details of his retirement arrangements including the treatment of in-flight LTI awards can be found on page 149.

Our new CFO, Julie Brown's salary of £915,335 was preliminarily set in line with that of her predecessor in September 2022. Her salary upon joining has been increased by 4% to £951,948. This is in line with the increase agreed for the CEO and is below that which has been awarded to the UK wider workforce.

AGM

Finally, I would like to again thank shareholders for their valued input and engagement. I welcome all further feedback and look forward to receiving your support for this report at our Annual General Meeting on 3 May 2023.

Urs Rohner
Remuneration Committee Chair
9 March 2023

Consideration of potential windfall gains

The Committee is aware of the guidance from investor bodies around considering a potential executive benefit arising from share award grants around the time of the stock market fall at the onset of the COVID-19 pandemic in March 2020.

Our Remuneration Policy contains sufficient flexibility to reduce the vesting of awards if required.

However, the Committee determined that no reduction is required in respect of the awards granted in March 2020. In making this determination, the Committee considered the share price at the following points:

- The share price at the time of the February 2020 award of £16.81
- The share price over the final quarter of 2022 of £13.99
- The share price at the time of the March 2019 award (grant previous to the 2020 award) of £15.09

Whilst there have been upward and downward movements in GSK's share price over the period, taking these above points into consideration the Committee was satisfied that there was no risk of windfall gains.

Annual report on remuneration

2022 Total remuneration (audited)

Fixed pay

Salary

Benefits

Pension

+ Read more on pages 137 and 138

+

Pay for performance

2022 Annual Bonus

	CEO	CFO
Overall bonus (% of salary)	249.5%	227.5%
Delivered as: (% of bonus)		
Cash	40.1%	44.0%
Deferred shares	59.9%	56.0%

2022 measures	%
Total sales growth	30
Adjusted operating profit growth	30
Individual strategic and operational objectives	30
ESG: DEI	10

on pages 139 and 140

+

2020 Vested LTI Awards

Overall vesting	52%
Shares subject to two-year holding period upon vesting	

2020-22 vested measures	%
Relative TSR	30
Adjusted free cash flow	30
Innovation sales	20
Pipeline progress (Pivotal trial starts & Major regulatory approvals)	20

on pages 141 and 142

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Total remuneration

below

2022 Total remuneration (audited)

	Emma Walmsley, CEO		Iain Mackay, CFO		Dr Hal Barron, former CSO (to 31 July 2022)[(2)]	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 $000	2021 $000
Fixed pay						
Salary	**1,260**	1,223	**915**	889	**1,332**	1,883
Benefits	**131**	134	**291**	242	**107**	145
Pension	**253**	245	**183**	178	**190**	651
Total fixed pay	**1,644**	1,602	**1,389**	1,309	**1,629**	2,679
Pay for performance						
Annual bonus[(1)]	**3,143**	2,275	**2,082**	1,573	**1,177**	3,483
Vesting of PSP LTI awards[(3)(4)]	**3,666**	4,326	**1,854**	2,408	**4,381**	6,371
Total pay for performance[(5)]	**6,809**	6,601	**3,936**	3,981	**5,558**	9,854
Total remuneration	**£8,453**	£8,203	**£5,325**	£5,290	**$7,187**	$12,533

Notes:

(1) The mandatory Deferred Annual Bonus Plan (DABP) bonus deferrals for 2022 and 2023 are set out on page 154. The payment shown for Dr Barron represents a pro-rated on-target payment in respect of 1 January 2022 to 31 July 2022, in lieu of an Annual Bonus opportunity.

(2) Dr Barron transitioned from his role as CSO to Non-Executive Director on 1 August 2022. Salary above includes the basic salary earned for his time as CSO from 1 January to 31 July 2022 plus payment in lieu of accrued holiday not taken, in accordance with GSK's standard all employee US holiday pay policy. His Non-Executive Director fees earned from 1 August to 31 December 2022 were $177,107. Please see page 153 for further details.

(3) The PSP vesting figure for the CEO is inclusive of a top-up award (25% of salary) made in May 2020 following the vote in favour of the Remuneration policy at the company's 2020 AGM. This award will not vest until May 2023 and the final actual value received for the 2020-22 PSP will be restated in the 2023 Annual Report.

(4) The 2020 PSP was valued based on the vesting prices on 10 February 2023 of £14.78 and the ADS price of $35.727. The share and ADS prices on 14 February 2020, the main date of grant were £16.686 and $43.74. In respect of the top-up award for the CEO, the share price was £16.814. Of the vested amounts for the Executive Directors, nothing was attributable to share price appreciation over the performance period. The Committee did not exercise any discretion in relation to the vesting of the awards or share price changes. The value for Dr Hal Barron is illustrative as the award will not vest until August 2023 in accordance with the terms of the Executive and Senior Management Recoupment Policy. The actual value received will be restated in the 2023 Annual Report.

(5) The Committee may in specific circumstances, and in line with stated principles, apply malus/clawback, as it determines appropriate. Following due consideration by the Committee, there has been no recovery of sums paid (clawback) or reduction of outstanding awards or vesting levels (malus) applied during 2022 in respect of any of the CEO, CFO or the former CSO.

Annual report on remuneration continued

2022 Total remuneration (audited) continued

The following sections provide details of each element of 2022 'Total remuneration', and how the Committee implemented the company's shareholder-approved Remuneration policy during the year in terms of fixed and performance pay:

Fixed pay (audited)

Salary

The table below sets out the base salaries of the Executive Directors over the last two years compared to increases for the UK and US workforce.

	2022 effective date	2022 % change	Salary 2022	Salary 2021
UK & US employees	1 April	3%	–	–
Emma Walmsley			£1,259,855	£1,223,160
Iain Mackay	1 January	3%	£915,335	£888,675
Dr Hal Barron[1]			$2,026,549	$1,967,523

(1) With effect from 1 August 2022, Dr Barron transitioned to a Non-Executive Director role and has not received a salary since that date. He receives Non-Executive Director fees as described on page 153. Dr Barron's 2021 base salary was increased by 8% from $1,821,781 to $1,967,523 with effect from 1 August 2021. See page 126 of the 2021 Annual Report for further details.

Details of salary levels for 2023 are provided on page 147.

Benefits

The UK remuneration reporting regulations require the company to add into each Executive Director's total benefits all items which are deemed by tax authorities to be a taxable benefit for them.

These comprise:

- **Employee benefits** in line with the policy for other employees, which may vary by location and role
- **Business-related services** provided to employees to assist or enable them to carry out their role, which a tax authority has deemed to be a taxable "benefit" to the individual. Because these are business expenses, the company meets the tax which arises on them and therefore the items are shown grossed up for tax. These include business travel and other related business costs

The table below provides an analysis of Total benefits (grossed up for tax) received by the Executive Directors in 2022 and 2021.

	2022 Benefits £000	2021 Benefits £000
Emma Walmsley		
Benefits available to employees	66	71
Business-related services	65	63
Total benefits	131	134
Iain Mackay		
Benefits available to employees	156	131
Business-related services	135	111
Total benefits	291	242
Dr Hal Barron	$000	$000
Benefits available to employees	71	83
Business-related services	36	64
Accommodation whilst on business travel[1]	–	(2)
Total benefits	107	145

Notes:
(1) 2021 represents one-off refund of accommodation costs relating to 2020.

Annual report on remuneration continued

Fixed pay (audited) continued

Pensions

From 1 January 2023, pension arrangements for Executive Directors were aligned to the wider workforce. Further details are given on page 147.

Executive Director	Member since	Pension arrangements in 2022
Emma Walmsley Iain Mackay	2010 2019	Pension contributions of 20% of base salary and matching contributions of up to 5% on the first £13,333 of salary, with a cash payment of 20% of base salary in lieu of pension on salary in excess of £13,333 in line with plan rates.
Dr Hal Barron	2018-July 2022	Member of the 401(k) plan open to all US employees and the Executive Supplemental Savings Plan (ESSP), a savings scheme open to US executives to accrue benefits above the 401(k) plan limits. He received 38% of base salary, less a contribution to the 401(k) and ESSP equivalent to 5% of total base salary and bonus (net of the bonus deferred under the DABP). In addition, in line with the wider US workforce, from 1 January 2021, a combined contribution rate under the 401(k) and ESSP plans of 11% (7% core contribution plus a match of up to 4%) of total base salary and bonus (net of the bonus deferred under the DABP).

The following table shows the breakdown of the pension values included in Total remuneration on page 136. They are calculated in accordance with the methodology set out in the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (Remuneration regulations).

	Emma Walmsley		Iain Mackay		Dr Hal Barron	
Pension remuneration values	2022 £000	2021 £000	2022 £000	2021 £000	Jan-Jul 2022 $000	2021 $000
UK defined contribution	3	3	3	3	–	–
US defined benefit	–	–	–	–	(134)	350
Employer cash contributions	250	242	180	175	324	301
Total pension remuneration value	253	245	183	178	190	651

Dr Hal Barron is now a deferred member of the US style defined benefit plan. Further details regarding the 2022 pension values for Dr Barron are set out in the table below. His accrued benefit (ie the annual pension accrued to date) for 2022 was calculated as the increase in the accrued benefit, adjusted for inflation and multiplied by 20 to reflect the fact that the benefit will be received over a number of years. The normal retirement age under the Cash Balance Pension Plan is age 65. Dr Barron has not received any additional benefit for retiring early.

	Accrued pension		Pension remuneration value for 2022
Dr Hal Barron pension values	31 July 2022 $000	31 December 2021 $000	$000
US – Funded	2	2	(6)
US – Unfunded	194	187	(128)
Total	196	189	(134)

Annual report on remuneration continued

Pay for performance (audited)

Annual Bonus

Total sales growth 30% + Adjusted operating profit growth 30% + Strategic and operational measures 30% + ESG: diversity, equity and inclusion 10% = Annual Bonus

2022 Annual Bonus performance against measures

The following table shows the Annual Bonuses earned compared to the bonus opportunity for 2022:

	2022 Bonus opportunity								2022 Bonus outcome
Bonus	Target (% of salary)	Maximum (% of salary)	2022 salary	Total sales growth (% of salary)	Adjusted operating profit growth (% of salary)	Strategic and operational measures (% of salary)	ESG (% of salary)	Total 2022 bonus (% of salary)	Total 2022 bonus
Emma Walmsley	100	300	£1,259,855	71	79	90	10	249.5	£3,143,340
Iain Mackay			£915,335			78	0	227.5	£2,082,390

Details of the mandatory deferral by Executive Directors into the DABP for the 2022 bonus are set out on page 147.

Dr Barron received a pro-rated 'on-target' payment for 2022 of $1,177,064 in lieu of a bonus opportunity. This is because he transitioned to a Non-Executive Director role on 1 August 2022. This contractual payment, in accordance with the company's Remuneration policy, is included in his remuneration for 2022 under Annual Bonus in the table on page 136.

2022 financial performance measures

		2022 Performance		
	Target weighting	Target growth rate	Outcome growth rate	Positioning achieved
Total sales growth	30%	6.5%	9.9%	+3.4%
Adjusted operating profit growth	30%	12.8%	16.8%	+3.9%

These targets were set following consideration of analyst consensus as well as internal budgets. The annual targets for 2022 exceeded the long-term sales and profit targets stated in our Investor Update of 5% and 10% respectively. The Committee is therefore comfortable that over achievement of these represents exceptional performance. Threshold and maximum performance targets were set at 1% below and 5% above target growth respectively. The total sales and adjusted operating profit targets and outcomes for the purposes of the Annual Bonus calculation are based on CER and exclude the commercial benefit from COVID-19 solutions.

Overview of performance against financial performance measures

- 2022 saw a step-change in commercial execution; earnings guidance was updated during the year as momentum grew. This was driven by strong sales growth across Specialty Medicines and Vaccines, exceeding guidance for sales and operating profit
- Delivered full-year reported Group sales of £29.3 billion (+19% AER, +13% CER) with Specialty growth of 37% AER, 29% CER with double-digit growth across all Specialty therapy areas and Vaccines growth of 17% AER, 11% with a record year for *Shingrix*. The outcome was adjusted to exclude the benefit from COVID-19 solutions
- Adjusted Group operating profit of £8,151 million above target, driven by higher sales supported by prioritised investment and effective cost control. The outcome was adjusted to exclude the commercial benefit from COVID-19 solutions
- Adjusted EPS of 139.7p (+27% AER, +15% CER) was ahead of guidance excluding COVID-19 solutions

Annual report on remuneration continued

Pay for performance (audited) continued

2022 strategic and operational measures performance

The Committee received and considered a performance assessment report for each Executive Director showing the extent of their achievement against the individual personal strategic and operational measures agreed by the Committee for them to support the delivery of our strategic commitments during 2022. The Committee also reviewed Dr Hal Barron's performance in July 2022 before the release of his contractual 'on-target' bonus payment.

As with the financial elements of the Annual Bonus, the Committee was satisfied that the scale of Executive Directors' achievements this year was of an exceptional nature. In particular, these achievements relate to the pipeline, commercial execution and Haleon demerger.

Strategic and operational measures	Performance achieved
Emma Walmsley The Committee determined that the CEO clearly exceeded or met her individual objectives	
Strengthen pipeline and build GSK's reputation for Innovation	– 47 potential new medicines and 22 vaccine candidates in development, with 18 now in phase 3/registration. Two-thirds of pipeline now focused on infectious diseases – Significant progress to strengthen pipeline and advance key assets (including RSV OA vaccine, bepirovirsen, gepotidican, daprodustat and depemokimab) more than offset termination decisions on otilimab and RSV maternal – Continued progress in development of long-acting HIV treatments including launch of *Apretude*, for HIV prevention and positive data for new broadly neutralising antibody N6LS – Successful business development to support future growth and focus in Vaccines and Specialty Medicines including Affinivax, Sierra Oncology and Spero Therapeutics
Demonstrate continued commercial execution excellence	– Step-change in commercial execution, with double-digit sales growth across Specialty Medicines and Vaccines – 10 products now exceeding £1 billion in annual sales, including *Trelegy*, *Nucala*, *Benlysta* and *Dovato* – Strong momentum for *Shingrix* (sales +60% to £3 billion), reflecting post pandemic rebound, new geographic launches and excellent commercial execution
Complete separation and unlocked value	– Haleon successfully demerged on schedule from GSK on 18 July 2022. Largest demerger in Europe for 20 years – Meaningful progress in value recognition prior to impact of market uncertainty following *Zantac* litigation
Demonstrate strong Environmental, Social and Governance (ESG) credentials and build trust in future delivery	– Sustained leading ESG performance, with delivery against Global Health, Environment and Inclusion and Diversity commitments – Maintained sector-leading rankings in key ESG indices. Ranked number 1 in Access to Medicines Index for the 8th consecutive time and 2nd in S&P Corporate Sustainability Assessment for the pharmaceutical industry
Demonstrate strong culture and leadership	– Drove rapid ownership of new culture; launch and roll out of new internal GSK Code, Talent Management and Performance with Choice programmes – Employee engagement up to 81% (versus 78% in 2021) – Continued development and succession planning for leadership team, with Tony Wood appointed CSO and new Chief Financial Officer Designate appointed
Iain Mackay The Committee determined that the CFO successfully met his individual objectives	
Demonstrate financial leadership	– Group financial targets exceeded: total sales £29.3 billion (+19% AER, +13% CER, +10% excl COVID); adjusted operating margin 27.8%; adjusted operating profit growth +26% AER, +14% CER, +17% excl COVID – Adjusted EPS 139.7p (+15% CER)
Cost discipline and cash flow management	– Prioritised investment and cost discipline supported strong growth in operating profit and EPS. – Transformation programme delivering £0.9 billion annual savings by end 2022, on track to deliver £1 billion by end 2023 – Cash generated from operations £7.9 billion and free cash flow of £3.3 billion
Complete separation and unlocked value	– Haleon successfully demerged on schedule from GSK on 18 July 2022. Largest demerger in Europe for 20 years – Meaningful progress in value recognition prior to impact of market uncertainty following *Zantac* litigation
Demonstrate strong culture and leadership	– Finance and Tech engagement, confidence, culture and inclusivity employee survey scores all increased versus 2021

2022 ESG: diversity, equity and inclusion (DEI) performance

Our first Annual Bonus ESG measure reinforces achievement of our DEI ambitions, as set out on page 47. DEI is an important business imperative and aspirational targets could be set to warrant additional reward. To stay on track for the 2025 Aspirational Targets for diversity of senior leadership, the Committee agreed interim, annual aspirational targets including global gender representation and US and UK race and ethnicity representation. These interim, annual aspirations were agreed by the Committee for the CEO. An internal governance team comprising members of Reward and Legal audited their performance against these interim aspirations for consideration by the Committee. These interim aspirations were achieved in 2022 and at year end we had 42% gender representation and 31.3% US ethnicity and 14.3% UK ethnicity in our VP and above employee population which are above or on track to meet the 2025 Aspirations.

In addition, most directorates also performed strongly against their respective contributions to our Aspirations. However, not all directorates achieved their expected contributions to the aspirational targets including Finance.

Annual report on remuneration continued

Pay for performance (audited) continued

Vesting of PSP LTI awards

The following sets out the performance achieved for the company's PSP and includes an update on performance of outstanding awards. In line with the Committee's agreed principles, actual performance against each measure is carefully reviewed and adjustments are made, as appropriate, to ensure that the vesting outcome reflects genuine underlying business performance and has been delivered in line with our culture and responsible business priorities.

Overall, 52% of the 2020 PSP award vested. Targets were set against pipeline progress (20%), innovation sales (20%), adjusted free cash flow (30%) and relative TSR (30%). Disappointingly there was nil-vesting under relative TSR. However, strong performance against other metrics was evidenced with full vesting under the cash flow element and partial vesting under pipeline progress and innovation sales.

During the 2020-22 period, significant progress was achieved in accelerating the delivery of our pipeline, notably the company's RSV vaccine, depemokimab and niraparib. Robust oversight resulted in a number of assets being discontinued as resources were reprioritised to focus on those with the greatest potential. Major approvals in the period included: niraparib, for ovarian cancer; sotrovimab (emergency use authorization) for COVID-19; *Cabenuva* for HIV treatment and *Apretude* for HIV pre-exposure prevention. Innovation sales, in the period, reflected particularly strong performance of HIV medicines and our shingles vaccine, *Shingrix*.

<table>
<tr><th rowspan="2">Performance measures and relative weighting</th><th rowspan="2">Performance targets</th><th colspan="3">Outcome and vesting level</th></tr>
<tr><th>Outcome</th><th>% of maximum</th><th>% of award</th></tr>
<tr><td>Pipeline progress (20%)</td><td>The pipeline progress measure targets rewarding strengthening of our pipeline through progression of high quality assets into pivotal trials and the achievement of regulatory approvals in major markets. Points based on achievement are allocated to these two equally weighted elements.
<table>
<tr><th>Measure</th><th>LTI award %</th><th>Threshold 25%</th><th>50%</th><th>75%</th><th>Maximum 100%</th></tr>
<tr><td>Pivotal Trial starts</td><td>10</td><td>13 points</td><td>14 points</td><td>15 points</td><td>18 points</td></tr>
<tr><td>Major regulatory approval milestones</td><td>10</td><td>18 points</td><td>19 points</td><td>20 points</td><td>22 points</td></tr>
</table></td><td>16.5 points
19 points</td><td>88%
50%</td><td>13.8%</td></tr>
<tr><td>Innovation sales (20%)</td><td>The innovation sales measure recognises the importance of launching new products successfully and that driving their performance is key to our commercial success. This measure aggregates three-year sales for new innovative products launched in the three-year performance period and the preceding two years, ie 2018-22.
<table>
<tr><th></th><th>Innovation sales (billion)</th><th>% vesting</th></tr>
<tr><td>Maximum</td><td>£18.132</td><td>100%</td></tr>
<tr><td></td><td>£16.484</td><td>75%</td></tr>
<tr><td></td><td>£15.660</td><td>50%</td></tr>
<tr><td>Threshold</td><td>£14.836</td><td>25%</td></tr>
<tr><td></td><td><£14.836</td><td>0%</td></tr>
</table></td><td>£15.368 billion</td><td>41%</td><td>8.2%0</td></tr>
<tr><td>Adjusted free cash flow (AFCF) performance (30%)</td><td>In line with the company's agreed principles, the AFCF figures included adjustments for a number of material distorting items, including legal settlements, exchange rate movements and special pension contributions.
<table>
<tr><th></th><th>Original target (billion)</th><th>Revised target (billion)[1]</th><th>% vesting</th></tr>
<tr><td>Maximum</td><td>£11.84</td><td>£10.47</td><td>100%</td></tr>
<tr><td></td><td>£11.33</td><td>£10.01</td><td>75%</td></tr>
<tr><td></td><td>£10.30</td><td>£9.10</td><td>50%</td></tr>
<tr><td>Threshold</td><td>£9.99</td><td>£8.83</td><td>25%</td></tr>
<tr><td></td><td><£9.99</td><td><£8.83</td><td>0%</td></tr>
</table>
(1) The revised target has been further adjusted since the 2021 Annual Report as noted overleaf.</td><td>£13.08 billion</td><td>100%</td><td>30%</td></tr>
<tr><td>Relative TSR performance (30%)</td><td>
<table>
<tr><th></th><th>TSR ranking within comparator group[2]</th><th>% vesting</th></tr>
<tr><td>Maximum</td><td>1st, 2nd, 3rd</td><td>100%</td></tr>
<tr><td></td><td>4th</td><td>70%</td></tr>
<tr><td></td><td>5th</td><td>40%</td></tr>
<tr><td>Threshold[3]</td><td>Median</td><td>25%</td></tr>
<tr><td></td><td>6th to 10th</td><td>0%</td></tr>
</table>
(2) TSR comparator group: AstraZeneca, Bristol-Myers Squibb, Eli Lilly, GSK, Johnson & Johnson, Merck & Co, Novartis, Pfizer, Roche Holdings and Sanofi.
(3) The vesting schedule is based on delivering 25% vesting for median performance. In a comparator group of ten companies, median falls between two companies.</td><td>Ranked 9th</td><td>0%</td><td>0%</td></tr>
<tr><td colspan="4">Total vesting in respect of 2020 awards</td><td>52%</td></tr>
</table>

Annual report on remuneration continued

Pay for performance (audited) continued

The Adjusted free cash flow (AFCF) target was revised in line with the disclosure on page 131 of the 2021 Annual Report. It has been further restated to take account of the demerger by removing the share of target cash flows related to Consumer Healthcare following the demerger in 2022, revised phasing of the Future Ready programme restructuring cash payments based on detailed programme planning undertaken in 2022, and revised timing of divestments. As a result, the target was decreased by £0.99 billion to £9.10 billion.

The Committee did not exercise any discretion in relation to the vesting of the awards or share price changes.

2020 PSP vesting

	Granted	Vested[1]	Value of vested shares[1]
Emma Walmsley[2]	410,090	248,018	£3,666,163
Iain Mackay	207,267	125,432	£1,854,116
Dr Hal Barron – Pro-rated[3]	203,981	122,634	$4,381,400

(1) The vested number of shares and the value it represented at vesting includes dividend reinvestments during the performance period. These are based on the vesting price of £14.78 and the closing ADS price of $35.727 on 10 February 2023.

(2) The shares granted for Emma Walmsley include the additional 'top-up' award made in May 2020 which will not vest until May 2023. The final actual value received and any amount attributable to share price appreciation over the performance period will be restated in the 2023 Annual Report.

(3) The PSP award for Dr Hal Barron will not vest until August 2023 under the terms of the Executive & Senior Manager Financial Recoupment Policy.

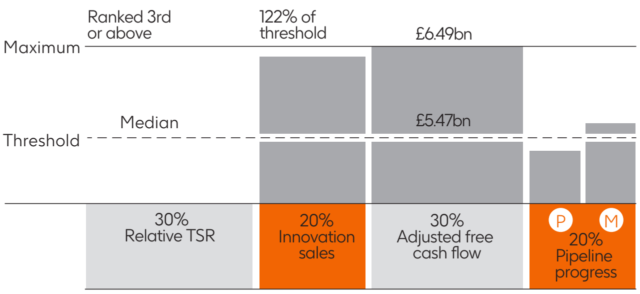
Performance of ongoing LTI awards

The Committee also reviewed the performance of the PSP awards granted to Executive Directors in 2021 and 2022.

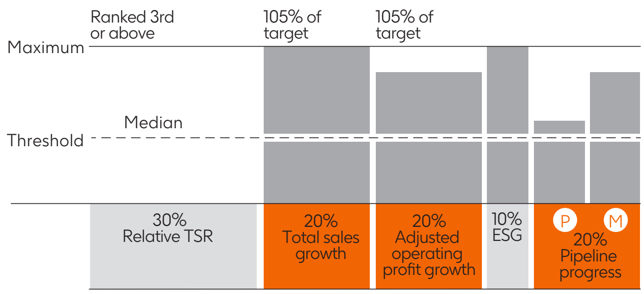
The following charts provide an estimate of the vesting levels of the 2021 and 2022 awards, taking into account performance to 31 December 2022.

- Actual vesting levels will only be determined based on performance over the full three-year performance periods. The indications below should therefore not be regarded as predictions of the final vesting levels
- The AFCF measure target, threshold and associated vesting scales for the 2021 awards have been adjusted. The net overall impact is a decrease in the target of £3.02 billion to £5.64 billion for the 2021 award
- The adjustments took into account of the following items: the removal of the share of target cash flows relating to Consumer Healthcare in 2022 and 2023 following the demerger in 2022, revised phasing of the Future Ready programme restructuring cash payments, and revised timing of divestments
- There were no changes to other measures

2021 PSP award



2022 PSP award



Commercially sensitive target published on vesting · Estimated vesting level · (P) Pivotal trial starts · (M) Major regulatory approval milestones

For threshold performance 25% of each award will vest in respect of each performance measure. Individual 2021 LTI award levels appear on page 131 of the 2021 Annual Report. They are set out below for the 2022 LTI awards.

Annual report on remuneration continued

Pay for performance (audited) continued

2022 LTI awards

The 2022 DABP awards, in respect of the deferral of 2021 bonus, and the 2022 PSP awards are both shown in the table below.

		2022 DABP awards		2022 PSP awards		
	2021 % of total bonus deferred	Number of shares	Face value of award[1]	Award level as % of base salary	Number of shares	Face value of award[2][3]
Emma Walmsley		72,399 shares	£1.138m	575%	461,059 shares	£7.2m
Iain Mackay	50%	50,056 shares	£0.786m	400%	233,028 shares	£3.7m
Dr Hal Barron[4]		40,617 ADS	$1.741m	–	–	–

(1) The face values of the DABP awards have been calculated based on a share price of £15.712 and an ADS price of $42.87, being the closing prices on 14 February 2022 (the day before grant). These are nil-cost options for the UK Executive Directors and restricted shares for the US Executive Director. No performance conditions are attached to the DABP awards, as they reflect the mandatory three-year deferrals in respect of the Annual Bonus for 2021.

(2) The face values of the PSP awards have been calculated based on a share price of £15.712, being the closing price on 14 February 2022 (the day before grant). These are conditional shares, based on the performance measures outlined above. Dr Barron did not receive a 2022 PSP award given his transition to a Non-Executive Director role on 1 August 2022.

(3) The performance period for the 2022 PSP awards is from 1 January 2022 to 31 December 2024. Awards vest at 25% of maximum for threshold performance.

(4) Dr Barron's DABP award will vest as normal three years after the date it was granted.

Historical vesting for LTI plans

The following table summarises LTI vesting by performance measure for GSK over the last ten years.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Relative TSR	0	0	0	0	15	0	0	0	0	0
Adjusted free cash flow	13	0	0	0	21	26	33	33	33	30
Innovation sales (previously R&D new product)	16	7	21	33	33	33	33	33	25	8.2
Pipeline progress										13.8
Business diversification	11	7	17							
Total vested %	40	14	38	33	69	59	67	67	58	52

Malus and clawback policy

For details of our existing policy on malus and clawback, please refer to the company's 2022 Remuneration policy report on page 147 of the 2021 Annual Report, available on gsk.com.

The Committee reviews and discloses whether it (or the Recoupment Committee) has exercised malus or clawback.Disclosure is only made when the matter has been the subject of public reports of misconduct, where it has been fully resolved, where it is legally permissible to disclose and where it can be made without unduly prejudicing the company and therefore shareholders.

In line with these disclosure guidelines, neither the Committee (nor the Recoupment Committee) exercised malus or clawback during 2022.

An administrative amendment is proposed to the malus and clawback section of the 2022 Remuneration policy for shareholder approval at the 2023 AGM, as described on page 163.

Other policies

For details of our existing policies on recruitment remuneration, loss of office and termination payments, please refer to the 2022 Remuneration policy report on pages 144 to 152 of the 2021 Annual Report, available on gsk.com.

Annual report on remuneration continued

Directors' pay in a wider setting

Internal context

Remuneration structure for employees compared to Executive Directors and GLT during 2022

Element	Wider workforce pay	Comparison with Executive Director and GLT pay
Salary	– The market competitiveness of base salaries across the company is assessed at a local market level. The competitiveness of roles, which is measured against the external market and internal peers, is kept under regular review – Increases may also be made to reflect a change in scope of an individual's role, responsibilities or experience	– For our Executive Directors and the GLT, following a performance review, increases in base salaries are considered in line with market practice, the average increase for the wider employee population and other comparotor tools. – Increases may also be made to reflect a change in scope of an individual's role, responsibilities or experience – In agreeing increases for Executive Directors and the GLT, the Committee is mindful of the multiplier effect on the individual's total remuneration
Pensions and benefits	– The company seeks to provide an appropriate pension and benefits package that is aligned to competitive market practices in those countries in which the company operates and where our employees are based	– Our Executive Directors and the GLT are eligible to receive benefits broadly in line with the policy for other employees, which may vary by location – Pension arrangements are structured in accordance with where the Executive Director or GLT member is expected to retire. Current and future Executive Directors' pension arrangements have been aligned to the wider workforce in their location since 1 January 2023
Annual Bonus	– With the exception of our sales force, who participate in separate arrangements, our wider workforce participates in a plan based on performance against four business and financial measures. These are structured to reflect the priorities of each specific business area – This plan is designed to reward our employees' collective contribution to business achievement. Separate mechanisms are in place to recognise outstanding individual performance or to address under-performance	– Our Executive Directors and the GLT participate in a plan based on an assessment of a combination of stretching financial/business, ESG: DEI and personal objectives – For Executive Directors, any bonus up to 200% of salary is paid 50% in cash and 50% in shares deferred for three years. Any bonus earned in excess of this (up to a maximum of 300% of salary) would be delivered fully in shares deferred for three years – For GLT members, any bonus up to 170% of salary is paid 75% in cash and 25% in shares deferred for three years. Any bonus earned in excess of this (up to a maximum of 255% of salary) would be delivered fully in shares deferred for three years – Clawback and/or malus provisions apply
LTI plans	– Our employees at Senior Vice President (SVP) and Vice President (VP) level participate in the same PSP as our Executive Directors and the GLT with the same performance targets and periods – Clawback and/or malus provisions apply – Our SVP and VP employees, together with Directors and Managers below the GLT, receive annual Share Value Plan awards of restricted shares	– Our Executive Directors and the GLT are granted annual PSP awards with the same performance targets and periods as employees – Executive Directors are required to hold vested awards for an additional two-year period – Clawback and/or malus provisions apply – Executive Directors and the GLT do not receive Share Value Plan awards following appointment

All-employee share plans

UK Executive Directors may participate in His Majesty's Revenue & Customs approved all-employee share plans along with the wider UK workforce, namely the company's Share Save and Share Reward plans.

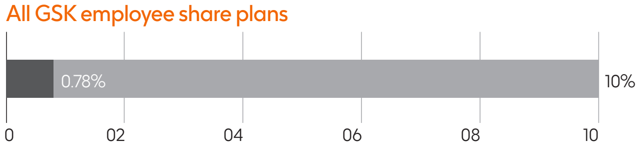
Participants of the company's Share Save plan may save up to £250 a month for three years and at the end of the period have the option to buy GSK shares at a discount of up to 20% to the share price at the start of the savings contract. Participants of the Share Reward plan contribute up to £125 a month to purchase GSK shares which the company then matches on a one for one basis.

For further details see page 154.

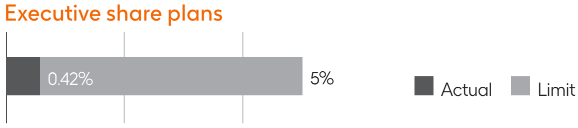
Dilution limits

All awards are made under plans which incorporate dilution limits consistent with the guidelines published by the Investment Association (IA). These limits are 10% in any rolling ten-year period for all plans and 5% in any rolling ten-year period for executive share plans (granted to senior executives). Estimated dilution from existing awards made over the last ten years up to 31 December 2022 is as follows:

All GSK employee share plans



Executive share plans



Annual report on remuneration continued

Directors' pay in a wider setting continued

CEO pay ratios – Option A methodology

Financial year	Lower quartile P25	Median P50	Upper quartile P75
2022	144:1	106:1	67:1
2021	154:1	108:1	67:1
2020	130:1	96:1	62:1
2019	160:1	119:1	73:1

GSK continues to use the Option A methodology because it is the most robust and statistically accurate way to calculate the three ratios from the options available in the Remuneration regulations. The pay ratio is broadly similar to 2021 with the reduction at P25 influenced by the change in workforce composition following the Consumer Healthcare demerger.

The pay ratios above are calculated using actual earnings for the CEO and UK employees. The CEO's total single figure remuneration of £8,453,253 for 2022 and £8,203,422 for 2021 are detailed on page 136.

Total remuneration for all UK full-time equivalent employees on 31 December 2022 has been calculated in line with the single figure methodology. This reflects their actual earnings received in 2022 (excluding business expenses), which were used to produce the percentile calculation under Option A of the Remuneration regulations. Business expenses have been excluded as they are reimbursed to employees and are not sufficiently substantial in value to significantly impact the ratios.

The table below shows the salary, and total pay and benefits for each of the percentiles.

£	2022 P25	2021	2020	2019	2022 P50	2021	2020	2019	2022 P75	2021	2020	2019
Salary	37,776	37,251	36,924	34,510	52,107	51,492	50,000	47,029	74,905	72,997	70,203	66,561
Total pay and benefits	58,883	53,151	54,133	50,467	79,428	76,234	73,340	68,200	126,594	122,852	113,830	110,638

The Committee believes that the median pay ratio is consistent with the company's pay, reward and progression policies. The base salaries of all employees, including the Executive Directors, are set with reference to a range of factors including market practice, experience and performance in role.

Supplemental and additional ratios

The CEO pay ratio is likely to vary, potentially significantly, over time since it will be driven largely by CEO variable pay outcomes. In line with our reward principles, the CEO has a larger portion of her pay based on performance than the individuals at P25, P50 and P75. This means that depending on GSK's performance the ratio could increase or decrease significantly.

The Committee believes that our senior executives should have a significant proportion of their pay linked directly to performance.

In light of this we have also provided supplemental ratios, where LTI compensation has been excluded.

We believe this provides an additional view as LTIs formed a substantial percentage of the CEO's total remuneration, which is highly variable and dependent on business performance. The CEO's 2022 total remuneration excluding LTI compensation is £4,787,090.

CEO pay ratios (less LTI awards)

Financial year	Option A Methodology P25	P50	P75
2022	81:1	60:1	40:1
2021	73:1	51:1	34:1
2020	51:1	38:1	26:1
2019	65:1	48:1	32:1

Relative importance of spend on pay

The table shows total employee pay and the Group's dividends paid to shareholders.

	Change %	2022 £m	2021 £m
Total employee pay	0.2	7,693	7,680
Dividends paid in the year	(13.3)	3,467	3,999

The figures in the table above, which reflect payments made during each year and the impact of movements in exchange rates, are as set out on pages 200 and 207. However, cash dividends declared in respect of 2022 were £2,468 million (2021: £4,011 million) a decrease of 38.5%. Please see Note 16 to the financial statements for further details.

Total employee pay is based on 69,130 employees, the average number of people employed during 2022 (2021: 71,345). Please see Note 9 to the financial statements for further details.

There were no share repurchases made by the company during 2022 and 2021.

Annual report on remuneration continued

Directors' pay in a wider setting continued

External context

Comparator groups

The Committee used two pay comparator groups when considering executive pay for 2022. The European cross-industry comparator group is the primary comparator group used for the CEO and CFO. The Global pharmaceutical comparator group is the secondary group for the CEO and is also used to measure relative TSR performance.

European cross-industry comparator group

Roche Holding AG	Linde	Deutsche Telekom
Novartis	Sanofi	Kering
LVMH	AstraZeneca	Heineken
Anheuser-Busch InBev	Diageo	BASF
Unilever	Siemens	Vinci
SAP	Christian Dior	Adidas
L'Oreal	Inditex	Bayer
Novo Nordisk A/S	BAT	Safran
Airbus	Volkswagen	Reckitt Benckiser

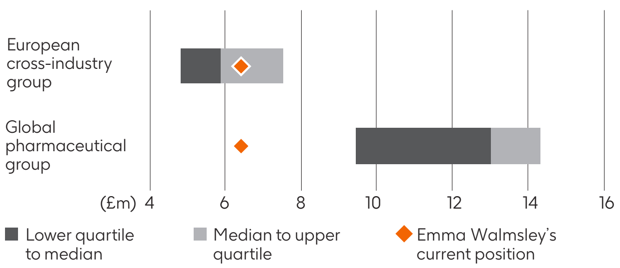
Global pharmaceutical comparator group

France	**US**
Sanofi	AbbVie(1)
Switzerland	Amgen(1)
Novartis	Bristol-Myers Squibb
Roche Holdings	Eli Lilly
UK	Johnson & Johnson
AstraZeneca	Merck & Co
	Pfizer

(1) AbbVie and Amgen are included for remuneration benchmarking, but are not included in the relative TSR comparator group.

2022 target CEO total remuneration positioning

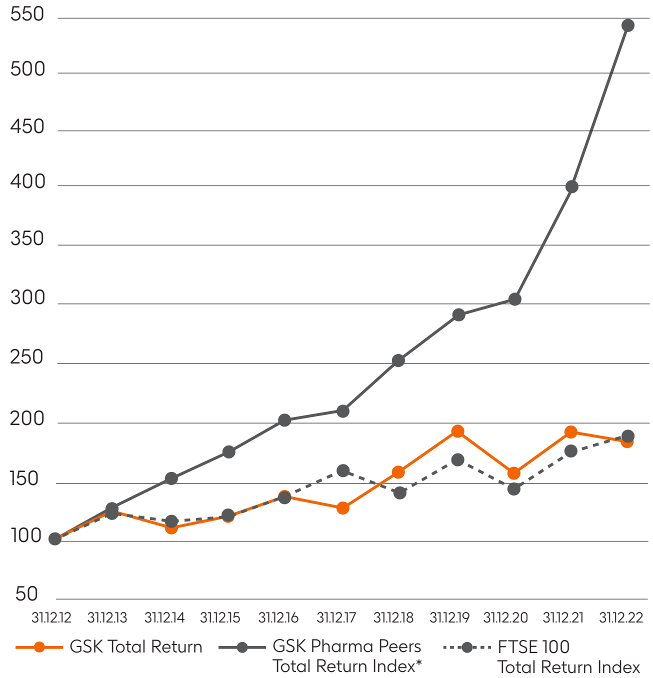
When reviewing the CEO's remuneration, the Committee's primary comparator group is the European cross-industry comparator group. It also references pay for the Global pharmaceutical comparator group.



Remuneration includes salary and the expected value of incentives based on the Committee's agreed benchmarking methodology.

TSR Performance graph

The following graph sets out the performance of the company relative to the FTSE 100 Index and to the Global pharmaceutical performance comparator group for the ten-year period to 31 December 2022. These indices were selected for comparison purposes as they reflect both the primary index of which GSK is a constituent and the industry in which it operates.



* This index comprises AstraZeneca, Bristol-Myers Squibb, Eli Lilly, Johnson & Johnson, Merck & Co, Novartis, Pfizer, Roche Holdings and Sanofi.

Historic CEO remuneration

Emma Walmsley						£000
	2022	2021	2020	2019	2018	2017
Total remuneration	**8,453**	8,203	7,031	8,094	5,887	4,883(1)
% of maximum						
Annual Bonus award(2)	**83%**	93%	49%	79%	93%	77%
Vesting of LTI awards	**52%**	58%	67%	67%	59%	69%

Sir Andrew Witty					£000
	2017	2016	2015	2014	2013
Total remuneration	715(2)	6,830	6,661	3,902	7,207
% of maximum					
Annual Bonus award(2)	0%(2)	97%	100%	42%	88%
Vesting of LTI awards	0%(3)	33%	38%	14%	31%

(1) Emma Walmsley's total remuneration includes her pay for the period 1 January to 31 March 2017, before she became CEO.

(2) Sir Andrew Witty received a pro-rata payment for 2017 in lieu of a variable bonus opportunity, in accordance with the 2014 Remuneration policy.

(3) PSP and DABP awards for Sir Andrew Witty granted in 2015 did not vest until April 2018, in accordance with the terms of the Executive financial recoupment policy.

Annual report on remuneration continued

Implementation of Remuneration policy for 2023

Fixed Pay

Salary

The Committee is very aware of the sensitivity amongst stakeholders to levels of Executive pay. Before reviewing Executive Directors' salary, it considered the average increases being awarded to employees below the level of Executive Directors and was mindful of the multiplier effect of increases in base pay. After due consideration of the wider economic context, individual performance and market positioning it was agreed that it was appropriate to award increases below that of the wider workforce to the CEO.

During the year, in addition to the 5% average salary increase, the company has implemented a number of monetary initiatives for our colleagues in the wider workforce, in reaction to the cost of living crisis, which can be found on pages 134 and 135.

Base salary	2023	% change
Wider workforce(1)	–	5%
Emma Walmsley	£1,310,249	4%
Iain Mackay(2)	£915,335	0%

(1) Based on the average increase budget for employees below the level of GLT in the UK.

(2) As a known leaver on 31 December 2023, Mr Mackay is not eligible to receive a salary increase.

Benefits

No significant changes to the provision of benefits are proposed for 2023.

For full details of the policy in relation to benefits, please refer to the 2022 Remuneration policy report on page 144 of the 2021 Annual Report.

Pension

The table below provides an overview of the pension arrangements for each Executive Director in 2023.

Executive Directors' pensions were reduced to align with the wider UK workforce effective 1 January 2023.

Any new Executive Director's pension will be aligned to the appropriate wider workforce on appointment.

	2023 Pension contribution
Emma Walmsley Iain Mackay	– 7% of base salary contribution to defined contribution plan and a further 3% in matched contributions on the first £26,666 of salary in accordance with the terms of the plan and – 7% of base salary as a cash payment in lieu of pension contribution on salary in excess of £26,666, or – 7% of base salary as a cash payment in lieu of pension contribution

Pay for performance

Annual Bonus

There are no changes to the operation of the Annual Bonus plan.

For full details of the policy please refer to pages 145 and 146 of the 2021 Annual Report.

	Bonus opportunity % of salary	
	Target	Maximum(1)
Emma Walmsley Iain Mackay	100	300

(1) 50% of the equivalent of the first 200% of salary is deferred, and any portion in excess of 200% is deferred in full.

	Weighting of performance measures %			
	Total sales growth	Adjusted operating profit growth	Strategic and operational measures	ESG: diversity, equity and inclusion
Emma Walmsley Iain Mackay	30	30	30	10

Inevitably, targets linked directly to our financial and strategic plan are commercially sensitive. The Committee does not consider it appropriate to disclose Annual Bonus targets during the year, as it may result in competitive harm. However, details of the performance targets will, as usual, be disclosed on a retrospective basis in the 2023 Annual Report.

Deferred Annual Bonus Plan (DABP) 2023 awards

The table below provides details of the mandatory deferral into the DABP of the 2022 Annual Bonus payments and the associated awards granted. The shares awarded have no performance conditions, but must be held for three years, regardless of continued employment.

	Total bonus deferred into shares %	DABP awards Shares
Emma Walmsley	59.9	125,482
Iain Mackay	56.0	77,751

Performance Share Plan (PSP) 2023 awards

The table below provides details of awards granted under the PSP.

	% of salary	Shares
Emma Walmsley	575	501,927

LTI performance measures

The measures and weightings for the 2023 awards remain unchanged from those used for the 2022 awards. The weightings for the five LTI measures are:

LTI measure	Measure	Weighting
Innovation	Pipeline progress	20%
Performance	Relative TSR Total sales growth Adjusted operating profit growth	30% 20% 20%
Trust	ESG: environment	10%

Annual report on remuneration continued

Implementation of Remuneration policy for 2023 continued

Innovation

The Pipeline progress measure seeks to reward acceleration and strengthening of the pipeline. This is based on two equally weighted elements of our key assets or indications measured over a three-year performance period.

Points are allocated for successful assets in each sub-measure based upon their forecast commercial value (peak year sales) at the end of the performance period.

The sub-measures for the 2023 award will vest as follows:

Pivotal trial starts

Focuses mainly on phase III registrational trial starts, but may also include phase II starts.

Performance level	Points	Payout
Below Threshold	<12	Nil
Threshold	12	25%
	14	50%
	16	75%
Maximum	20	100%

Major regulatory approvals

Performance level	Points	Payout
Below Threshold	<17	Nil
Threshold	17	25%
	19	50%
	20	75%
Maximum	22	100%

The Pipeline progress measure is commercially sensitive at the time of grant. At the end of the performance period we will provide disclosure of what has been achieved.

Performance

Relative TSR will continue to be measured against GSK's Global pharmaceutical comparator group (see page 146). The total sales growth and adjusted operating profit growth measures recognise the importance of our commercial ambitions and the Committee has set targets that align with those ambitions. The targets for total sales growth and adjusted operating profit growth are commercially sensitive at the time of grant.

ESG: environment

The ESG: environment measure is based on the goal of having a Nature Net Positive and Climate Net Zero impact by 2030 (see pages 45 and 46). The targets for the ESG: environment measure for the 2023 grant are based on a series of Nature goals relating to Water, Waste & Materials reduction, Biodiversity impact and Climate goals that incorporate Scope 1 & 2 emission reduction targets, carbon offsetting and our industrialisation of green *Ventolin*.

The ESG: environment measure includes six key performance measures:

- 3x Climate ambitions
- 3x Nature ambitions

To achieve:

- 75% vesting, all six measures must have met their 2025 targets
- 100% vesting, two of the six measures, at least one in Climate and one in Nature, must have exceeded their 2025 targets

Shareholdings versus Share Ownership Requirement (SOR) (audited)

To align the interests of Executive Directors with those of shareholders, they are required to build and maintain significant holdings of shares in GSK over time. Executive Directors are required to continue to satisfy these Share Ownership Requirements (SOR) by holding 100% of their SOR for the first 12 months after leaving GSK and not less than 50% of their SOR for months 13-24 after leaving GSK.

	SOR % of salary	Value of holdings as % of salary: 3 March 2023	31 December 2022
Emma Walmsley	650	1,292	1,031
Iain Mackay	300	406	228

Shares subject to performance conditions are excluded from each Executive Director's SOR calculation until the end of the performance period. These vested shares are then included as part of the Director's SOR to the extent that the performance conditions are met. The value of the holdings has been calculated on a post-tax basis.

Emma Walmsley and Iain Mackay, at the date of publication of this Report, exceed their SOR. Dr Hal Barron exceeded his SOR prior to his transition to a Non-Executive Director role on 1 August 2022.

The company has processes in place to ensure that each Executive Director maintains their SOR after leaving GSK. Each Executive Director agrees to the terms of the SOR as part of their service contract.

Annual report on remuneration continued

Implementation of Remuneration policy for 2023 continued

Termination arrangements for Executive Directors

As announced during 2022, Iain Mackay will step down as CFO and Executive Director on 1 May 2023, continue as an employee and leave the company on 31 December 2023.

Remuneration element	Summary of treatment
Annual Bonus	Eligible to receive bonuses which will be determined by the Committee based on a combination of business and individual performance for his service during 2022 and 2023.
PSP	Not eligible to receive any further PSP awards.
Outstanding PSP and DABP awards	All existing LTI awards will be retained and PSP awards will be pro-rated for time.
DABP deferred bonus awards	Awards in respect of bonuses deferred in 2022 and prior years will vest at their normal vesting dates.

In addition to the above, Iain Mackay will be required to maintain his SOR in accordance with the company's Remuneration policy.

Remuneration arrangements for Julie Brown

The Committee considered the remuneration arrangements that would be appropriate to enable the company to recruit and retain an experienced CFO within the criteria for the role in the company's 2022 Remuneration policy.

Given Julie Brown's wealth of experience as a CFO and of the industry, it was agreed that her remuneration should be set in line with Iain Mackay's remuneration, as follows:

Remuneration element		Notes
Salary	£951,948	Ms Brown's salary was preliminarily set in line with that of her predecessor in September 2022 (£915,335) and her salary upon joining will be 4% higher than this figure, in line with the increase agreed for the CEO. The comparator group for pay for the CFO remains the European cross-industry comparator group as set out on page 146.
Annual Bonus	£951,948	The on-target bonus would be 100%, with a maximum of 300% for incremental exceptional performance as for Mr Mackay.
Award of Long Term Incentives (LTIs)	£1,903,896	This assumes an expected value of 50% of an award of performance shares under the PSP at a 4x multiple of base salary as for Mr Mackay.
Share Ownership Requirement (SOR)	300% of salary	This is in line with the 2022 Remuneration policy.
Pension		Pension arrangements will be in line with those of the wider UK workforce in accordance with GSK's commitment from 1 January 2023.
Benefits		Benefits will be in line with GSK's policy and arrangements for other executives to support them in undertaking their role.

The Committee sought to ensure Ms Brown was compensated on a like-for-like basis as far as possible when concluding her buyout payments, which are set out below:

- a sum (the Bonus Buyout) equivalent to Ms Brown's on-target Burberry bonus for the period from 1 April 2022 to 31 March 2023, which she will forego on leaving Burberry
- a sum (the LTI Buyout) equivalent to the aggregate value of (i) her outstanding Burberry LTIs and SIP shares, which will be lost on leaving Burberry, at a price equivalent to the average price of such shares for the one-month period ended on 7 September 2022, and (ii) the value of any dividend equivalents accruing on those shares between their date of award and her departure from Burberry. Given that the Burberry LTIs are not subject to a performance measure, and only to a performance underpin, no discount will be applied to the value of the shares so calculated

The Committee agreed that these payments would be made in stages over a two year period as follows, as cash amounts equivalent to:

- the Bonus Buyout and one-third of 85% of the LTI Buyout will be paid to her in the first payroll following the commencement of her employment with GSK
- one-third of 85% of the LTI Buyout will be paid to her in the first payroll following the first anniversary of the commencement of her employment and
- one-third of 85% of the LTI Buyout will be paid to her in the first payroll following the second anniversary of the commencement of her employment

In addition, she will be paid an amount equivalent to 15% of the LTI Buyout in the first payroll following the commencement of her employment. Ms Brown has agreed that she will invest the net of tax proceeds of this 15% tranche in GSK shares at the first reasonably available opportunity, subject to dealing clearance, and that she will then hold those shares for a period of at least two years. Ms Brown's SOR as CFO will be three times her base salary which she will be required to build over time.

Annual report on remuneration continued

Remuneration governance

Committee role and membership

These details are available on page 107 and are incorporated by reference into this Report. The Chair, CEO, Chief People Officer, Head of Reward, Group Financial Controller and the Company Secretary assisted the Committee during the year.

Adviser to the Committee

The company undertook a full commercial tender process during 2022 and appointed Willis Towers Watson LLP (WTW) as independent adviser to the Committee with effect from 1 December 2022. WTW replaced PricewaterhouseCoopers LLP (PwC) who served as independent adviser up to 1 December 2022 and for over four years in total.

Both WTW and PwC are members of the Remuneration Consultants' Group and, as such, voluntarily operate under the code of conduct in relation to executive remuneration consulting in the UK. The code of conduct can be found at www.remunerationconsultantsgroup.com.

WTW provided additional market data to the Committee and other HR consulting services to the company prior to and after their appointment as independent Committee advisers. During the year, in addition to providing consultancy services to the Committee, PwC also provided other consulting and assurance services to the company prior to WTW's appointment.

In line with the protocols agreed and set by the Committee Chair under which WTW and PwC provided their advice, the Committee is satisfied that such advice has been objective and independent. During their respective tenures in 2022, PwC and WTW have provided independent commentary on matters under consideration by the Committee and updates on market practice and legislative requirements.

The Committee also reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. WTW's and PwC's fees for advice during that period, which were charged on a time and materials basis, were £4,000 and £162,945 respectively. The Committee is satisfied that these fees did not compromise either firm's independence.

Statement of consideration of shareholder views

The Committee engages in regular dialogue with shareholders and holds annual meetings with GSK's largest investors to discuss and take feedback on its Remuneration policy practices and governance matters.

2022 AGM voting

Details of voting levels in respect of our Remuneration arrangements are set out below.

	Total votes cast (billion)	Total votes for (%)	Total votes against (%)	Votes withheld (million)
2022 AGM				
Remuneration report	3.6	91.05	8.95	12.3
Remuneration policy	3.6	61.76	38.24	13.3

Service contracts and letters of appointment

The table below sets out the dates of the Executive Directors' service contracts, which are available for review at the company's registered office and on gsk.com, with the exception of Julie Brown, whose contract will be available on gsk.com following her appointment. Each Executive Director's service contract contains a 12-month notice period.

	Date of contract	Effective date	Expiry date
Emma Walmsley	29.03.17	01.04.17	30.06.34
Iain Mackay	18.09.18	14.01.19	n/a
Julie Brown	25.09.22	01.05.23	n/a

The Non-Executive Directors have letters of appointment, which are available to view at the company's registered office. Each Non-Executive Director is expected to serve on the Board until the end of the AGM following the third anniversary of their appointment. This is subject to election and subsequent annual re-election. Subject to mutual agreement, they are each expected to serve a further three years, and up to nine years from appointment in line with the provisions of the FRC's UK Corporate Governance Code, subject to annual re-election.

Annual report on remuneration continued

Remuneration governance continued

Committee focus during 2022

Committee focus during 2022	Items discussed
Remuneration policy The Committee sets the Remuneration policy for shareholder approval and then determines the remuneration of the Executive Directors, the Chair and other corporate officers in line with that policy.	– Prepared and agreed the proposed 2022 Remuneration policy – Remuneration impact of Consumer Healthcare demerger – Shareholder and advisory body engagement on new Remuneration policy. See page 133 for further details – Review and consideration of shareholder and proxy adviser feedback – Amendments to the proposed Remuneration policy following careful consideration of shareholder feedback – Continued engagement with shareholders
Salary review The Committee periodically reviews and considers the remuneration environment for Executive Directors and GLT and approves, when appropriate, annual adjustments as necessary having regard to performance, market positioning and the remuneration of the wider workforce.	– Executive Director and GLT benchmarking, competitiveness and GSK comparator groups – GLT and Company Secretary salary review and recommendations for 2022 – Executive Director salary review and recommendations for 2023 – Setting remuneration for Julie Brown, the new CFO – Review of company Chair's fee
Annual Bonus The Committee is responsible for setting specific performance measures for the Annual Bonus and for assessments of performance against these measures.	– CEO, Executive Directors and GLT 2021 bonus recommendations and 2022 CEO and Executive Directors' bonus objectives – Proposed new Annual Bonus performance measures aligned with June 2021 Investor Update commitments
LTI plans The Committee is responsible for approving LTI plan rule changes, grants, assessments of performance, and the vesting of LTI awards for the Executive Directors, GLT and below (including interim awards).	– LTI performance outcomes and award vesting for the CEO, Executive Directors, GLT and below – Confirmation of LTI grants for the CEO, Executive Directors, GLT and below – Proposed new performance conditions aligned with June 2021 Investor Update commitments
Governance and other areas of focus The Committee adheres to a robust remuneration governance framework, ensuring alignment between internal actions and external reporting/compliance requirements.	– Remuneration considerations and Committee programme for 2022 – Review of Terms of Reference – Committee evaluation annual review – 2021 Remuneration report – Confirmation of 2022 Group Budget for remuneration purposes – AGM and Remuneration report feedback, the external remuneration environment and performance target disclosure for incentive plans – 2022 Remuneration report disclosures, including CEO pay ratio – Annual Governance Meeting key Committee messages – Committee Chair consultation with employee representatives on setting pay and wider workforce pay practices – Remuneration adviser tender process

Non-Executive Directors' fees

Chair and other Non-Executive Directors

The company aims to provide the Chair and other Non- Executive Directors with fees that are competitive with those paid by other companies of equivalent size and complexity, subject to the limits contained in its Articles of Association.

Chair's fees

The Chair's fee was set at £700,000 per annum, nearly four years ago in September 2019 when he was first appointed to the Board. It has remained unchanged since that time. After a review of independently sourced data by the Committee in January 2023 it was agreed that it was appropriate to increase his fees by £35,000 to £735,000 from 1 January 2023 – a 5% increase from the rate originally set in 2019.

During 2022 the Chair invested approximately 25% of his pre-tax fees in notional shares under the GSK NED share allocation plan (NED plan). Since September 2022 he invests approximately 25% of his net fees in the purchase of GSK shares.

2022 Non-Executive Directors' fees

The Non-Executive Directors' fees that applied during 2022 are set out in the table below:

	Per annum
Standard annual fee	£95,000
Supplemental fees	
Chair of the Audit & Risk Committee	£80,000
Senior Independent Director	£50,000
Scientific & Medical Experts	£30,000
Chairs of the Remuneration, Corporate Responsibility and Science committees and Workforce Engagement Director	£40,000
Science Committee members undertaking significant additional responsibilities on behalf of GSK to support R&D	Up to £200,000
Non-Executive Director undertaking intercontinental travel to meetings	£7,500 per meeting

Standard annual fee for Non-Executive Directors

The standard Non-Executive Director annual fee was last increased in 2020. Following a review of independently sourced data and recognising the ever-increasing workload for Non-Executive Directors it was agreed that it was appropriate to increase the standard annual fee by £3,800 (4%) from £95,000 to £98,800 per annum from 1 January 2023.

With a view to further simplicity, creating greater transparency of the overall standard Non-Executive Director fee and based on review of independent data, going forward the intercontinental travel allowance of £7,500 per meeting will be added to the standard fee. Ordinarily, Non-Executive Directors are expected to travel overseas to attend two meetings per year and so can expect to receive two travel allowance payments totalling £15,000. The Chair does not receive this allowance. This amount will now be added to the Non-Executive Director standard fee from 1 January 2023 bringing the total standard fee to £113,800.

Non-Executive Director Share Ownership Requirement

Following approval of the new Remuneration policy at the last AGM, in July 2022 it was agreed to implement a minimum Non-Executive Director share ownership requirement (SOR) of at least one times the annual standard fee (or the Chair's fee) to be maintained until after retirement from the Board. The Chair, non-US based Non-Executive Directors and newly appointed Non-Executive Directors commenced purchasing shares or ADS in the market towards their new Non-Executive Director SOR from September 2022. US Non-Executive Directors began purchasing ADS towards their SOR from 1 January 2023.

Shareholder approval will be sought at the AGM for an administrative amendment to the Non-Executive Director section of the Remuneration policy to allow the notional shares or ADS previously allocated under the Non-Executive Director plan to be delivered to the Chair and Non-Executive Directors at such time as the Committee and Board considers appropriate after any applicable tax withholding. This would be subject to the Chair and Non-Executive Directors undertaking to hold these shares or ADS until they retire from the Board. This change will not only give the company greater operational flexibility, it will also reduce the administrative burden of operating the Non-Executive Director plan, and will ensure that the Chair and Non-Executive Directors directly maintain a meaningful and prudent level of investment which closer aligns their interests with shareholders.

The company does not expect to make any significant changes to the fee structure for Non-Executive Directors during the remainder of the 2022 Remuneration policy period.

Annual report on remuneration continued

2022 Total fees (audited)

The audited table below sets out the value of fees and benefits received by the Non-Executive Directors in the form of cash and shares or ADS. Further details of the NED plan are set out on page 155. Non-Executive Directors fees paid in a currency other than Sterling are converted using an average exchange rate that is reviewed from time to time. The average exchange rates were updated in 2022. Non-Executive Directors fees were converted to US Dollars using an exchange rate of $1.3481 in 2022. Benefits comprise the grossed up cash value of travel and subsistence costs incurred in the normal course of business, in relation to attendance at Board and Committee meetings and in fulfilling their role as Non-Executive Directors.

	2022				2021			
Non-Executive Directors' emoluments (000) (audited)	Fixed fees Cash	Fixed fees Shares/ADS	Benefits	Total pay	Fixed fees Cash	Fixed fees Shares/ADS	Benefits	Total pay
Sir Jonathan Symonds	£525	£175	£10	**£710**	£525	£175	£3	£703
Elizabeth McKee Anderson	$35	$8	–	**$43**	–	–	–	–
Charles Bancroft	–	$287	$10	**$297**	–	$210	$5	$215
Dr Hal Barron	$150	$16	$11	**$177**	–	–	–	–
Dr Anne Beal	$138	$46	$15	**$199**	$62	$21	–	$83
Dr Hal Dietz	$174	$58	$2	**$234**	–	–	–	–
Dr Jesse Goodman	$182	$61	$31	**$274**	$164	$55	$23	$242
Urs Rohner	£112	£31	£23	**£166**	£101	£34	£11	£146
Dr Vishal Sikka	–	$58	–	**$58**	–	–	–	–
Retired Directors								
Vindi Banga(1)	£65	£22	£4	**£91**	£109	£36	£1	£146
Dame Vivienne Cox(1)	£55	£18	£1	**£74**	£101	£34	£1	£136
Lynn Elsenhans(1)	$74	$25	$23	**$122**	$134	$45	$5	$184
Dr Laurie Glimcher(2)	–	$136	$20	**$156**	–	$165	$13	$178

(1) Retired from the Board on 18 July 2022.
(2) Retired from the Board on 13 October 2022.

Strategic report
Governance and remuneration
Financial statements
Investor information

Annual report on remuneration continued

Directors' interests in shares (audited)

Executive Directors' interests in shares

The interests of the Executive Directors of the company in office during 2022 and their persons closely associated (PCA) are shown in the table below:

	Total directors' interests		As at 31 December 2022			
			Beneficial interests	Unvested share plan interests – Not subject to performance		Unvested share plan interests – Subject to performance
	3 March 2023[1]	31 December 2022[1]	Shares/ADS[2]	Shares/ADS[3,7]	Options[4,7]	Shares/ADS[5]
Shares						
Emma Walmsley	**1,503,484**	1,334,155	493,081	656,084	184,990	1,550,844
Iain Mackay	**471,595**	284,967	–	157,965	127,002	783,978
ADS						
Dr Hal Barron	**552,499**	547,374	306,004	241,370	–	348,459

1) **Total directors' interests** includes beneficial interests and unvested share plan interests not subject to performance. For Emma Walmsley and Iain Mackay, the balance as at 3 March 2023 includes shares/ADS awarded in 2020 under the PSP and the DABP which vested in February 2023 less those sold to satisfy tax liabilities on the vested amounts where relevant. ADS awarded in 2020 under the PSP and the DABP to Dr Hal Barron will not vest until August 2023 in accordance with the terms of the Executive and Senior Management Recoupment Policy. Executive Directors' shareholdings against their SOR are outlined on page 148.
2) **Beneficial interests** includes shares/ADS held by the Executive Directors and their PCAs. For Emma Walmsley, this includes 2,166 shares purchased through the GSK Share Reward plan. Iain Mackay does not currently participate in the Share Reward plan. As a US employee, Dr Hal Barron was not eligible to participate in the Share Reward plan which is only open to UK employees. Dr Barron's beneficial interests include ADS and notional ADS held by way of his investments in the GSK 401(k) plan and the Executive Supplemental Savings Plan (ESSP). Further details on Dr Barron's membership of these plans can be found on page 138.
3) **Unvested shares/ADS not subject to performance** represent PSP shares/ADS which have vested but are subject to an additional two-year holding period. Unvested ADS not subject to performance for Dr Barron also represent bonus deferrals (as described in note 7 below).
4) **Unvested options not subject to performance** represent bonus deferrals under the DABP which are awarded as nil-cost options (as described in note 7 below). This figure excludes 790 options held by Emma Walmsley under the GSK Share Save plan.
5) **Unvested shares/ADS subject to performance** represent unvested PSP awards.
6) **Vested but unexercised options:** None of the Directors hold vested but unexercised options.
7) **DABP:** The table below shows bonus deferrals and subsequent reinvestment of dividends under the DABP. The amounts represent the gross shares/ADS balances prior to the sale of any shares/ADS to satisfy tax liabilities on vesting. As UK employees, bonus deferrals under the DABP are granted as nil-cost options to Emma Walmsley and Iain Mackay.

DABP (Bonus deferrals)	3 March 2023	31 December 2022	1 January 2022
Shares			
Emma Walmsley	251,541	184,990	176,801
Iain Mackay	164,988	127,002	71,972
ADS			
Dr Hal Barron	104,563	103,600	101,801

8) **Options exercised in 2022:** The following table sets out details of options (including nil-cost options under the DABP) exercised during 2022 by Executive Directors. Iain Mackay did not exercise any options during the year.

Type of award	Date of grant	Number of shares under option	Date of exercise	Grant price	Market price at exercise	Gain on exercise
Emma Walmsley						
Deferral award – DABP	13.02.2019	72,296	14.02.22	£0.00	£16.10	£1,164,000
Share Save	29.11.2018	744	25.02.22	£12.09	£15.82	£2,775

In respect of the nil-cost options awarded in 2019 under the DABP, the bonus which is deferred by the Executive Director was recorded as remuneration (under Annual Bonus) in the Total remuneration table in respect of 2018. The number of shares under option includes the initial award amount together with reinvested dividends accrued to the date of exercise.

In respect of options under the GSK Share Save plan, the remuneration receivable by an Executive Director is calculated on the date that the options first vest. The remuneration is the difference between the amount the Executive Director is required to pay to buy the shares and the total value of the shares on the vesting date. If the Executive Director chooses not to exercise the options on the vesting date, any subsequent increase or decrease in the amount realised will be due to movements in the share price between the vesting date and the date of exercise. This increase or decrease in value is the result of an investment decision by the Executive Director and, as such, is not recorded as remuneration.

Annual report on remuneration continued

Directors' interests in shares (audited) continued

Non-Executive Directors' interests in shares

The interests of the Non-Executive Directors of the company in office during 2022 and their persons closely associated (PCA) are shown in the table below:

	Total directors' interests as at[1]			Share allocation plan for Non-Executive Directors – Number of shares/ADS				
	3 March 2023	31 December 2022 or date of retirement	Beneficial interests at 31 December 2022 or date of retirement[2]	Dividends reinvested after year end	31 December 2022 or date of retirement	Adjustments for share consolidation[4]	Elected & allocated during the year[3]	1 January 2022
Shares								
Sir Jonathan Symonds	69,045	68,316	33,925	728	34,391	(8,598)	15,273	27,716
Vindi Banga[5]	–	93,391	57,440	–	35,951	(8,987)	12,266	32,672
Dame Vivienne Cox[5]	–	12,252	–	–	12,252	(3,062)	4,767	10,547
Urs Rohner	19,710	19,317	798	392	18,519	(4,630)	6,722	16,427
ADS								
Elizabeth McKee Anderson	–	–	–	–	–	–	–	–
Charles Bancroft	15,804	15,564	–	240	15,564	(2,617)	10,715	7,466
Dr Anne Beal	1,800	1,777	–	23	1,777	(233)	1,507	503
Dr Hal Barron	552,499	547,374	306,004	–	–	–	–	–
Dr Hal Dietz	1,593	1,575	–	18	1,575	(164)	1,739	–
Lynn Elsenhans[5]	–	47,692	800	–	46,892	(11,722)	14,631	43,983
Dr Laurie Glimcher[6]	–	27,408	–	–	27,408	(6,430)	11,186	22,652
Dr Jesse Goodman	12,614	12,375	–	238	12,375	(2,846)	4,999	10,222
Dr Vishal Sikka	1,147	1,147	1,147	–	–	–	–	–

1) **Total directors' interests** include beneficial interests and any notional shares/ADS received as all or part of their fees under the NED plan. Dividends received on notional shares/ADS under the NED Plan during the year and in January 2023 were converted into notional shares/ADS as at 12 January 2023.
2) **Beneficial interests** includes shares/ADS held by the Non-Executive Directors and their PCAs.
3) **Notional shares/ADS allocated during the year** under the NED plan includes (i) dividends reinvested during the year; and (ii) the reinvestment, on demerger, of an amount equivalent to the value of the Haleon plc shares/ADS attributable to the Non-Executive Directors' notional allocation of GSK plc shares/ADS (see note 4 below).
4) To align as closely as possible the treatment of Non-Executive Directors in respect of their NED plan allocations with those of shareholders on the demerger and share consolidation, NED plan allocations were adjusted as follows: (a) an amount equivalent to the value of the Haleon plc shares/ADS attributable to the Non-Executive Directors' notional holding of GSK plc shares/ADSs was reinvested so as to increase those notional allocations of GSK plc shares/ADS on 18 July 2022; and (b) all notional GSK share/ADS allocations in the NED plan, including allocations arising under (a), were consolidated at a ratio of four new notional GSK shares/ADS for every five notional GSK shares/ADS held as at 18 July 2022.
5) Vindi Banga, Dame Vivienne Cox and Lynn Elsenhans all retired from the Board on 18 July 2022.
6) Dr Laurie Glimcher retired from the Board on 13 October 2022.

Annual report on remuneration continued

Percentage change in remuneration of Directors

	2022 percentage change			2021 percentage change			2020 percentage change		
	Salary/fee %	Benefits %	Bonus %	Salary/fee %	Benefits %	Bonus %	Salary/fee %	Benefits %	Bonus %
UK employees[1]	3.0	2.26	44.81	2.0	0.0	4.85	2.5	0.0	1.1
Executive Directors[2,3]									
Emma Walmsley	3.0	(2.2)	38.2	2.0	(5.0)	94.6	8.0	(26.6)	(33.4)
Iain Mackay	3.0	20.2	32.4	2.0	56.1	94.2	5.6	11.5	(31.6)
Dr Hal Barron[4]	(29.2)	(26.2)	(66.2)	5.4	150.0	100.1	2.5	(91.2)	(34.9)
Non-Executive Directors[2,5,6]									
Sir Jonathan Symonds	0.0	233.3	–	0.0	50.0	–	201.7	0.0	–
Elizabeth McKee Anderson	–	–	–	–	–	–	–	–	–
Charles Bancroft	36.7	100.0	–	156.1	–	–	–	–	–
Dr Hal Barron[4]	–	–	–	–	–	–	–	–	–
Dr Anne Beal	121.7	–	–	–	–	–	–	–	–
Dr Hal Dietz	–	–	–	–	–	–	–	–	–
Dr Jesse Goodman	11.0	34.8	–	(5.6)	0.0	–	(12.5)	(65.2)	–
Urs Rohner	5.9	109.1	–	(5.6)	175.0	–	16.3	(69.2)	–
Dr Vishal Sikka	–	–	–	–	–	–	–	–	–
Retired Non-Executive Directors[2,5,6]									
Vindi Banga	(40.0)	300.0	–	(4.6)	(50.0)	–	23.6	(50.0)	–
Dame Vivienne Cox	(45.9)	0.0	–	(5.6)	(50.0)	–	55.4	(75.0)	–
Lynn Elsenhans	(44.7)	360.0	–	(7.3)	(75.0)	–	(12.3)	(73.3)	–
Dr Laurie Glimcher	(17.6)	53.8	–	(8.3)	(61.8)	–	(18.2)	(55.3)	–

(1) This table is provided in accordance with Schedule 8 of The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019. The UK employee population was considered to be the most relevant comparison as it most closely reflects the economic environment encountered by the majority of the Executive Directors.

(2) Percentage changes have been calculated based on the 2022 Total remuneration table on page 136 for Executive Directors and the 2022 Total fees table on page 153 for Non-Executive Directors. Increases in benefits for Non-Executive Directors are due to increased travel costs following the return to in-person meetings post-COVID-19.

(3) Further information on Executive Directors' salary and benefits can be found on page 137.

(4) Dr Hal Barron transitioned to a Non-Executive Director role on 1 August 2022.

(5) Fees of Non-Executive Directors include fees received as cash and in the form of shares or ADS under the terms of the NED plan.

(6) See page 123 for details of Non-Executive Director changes during the year.

Directors and Senior Management

Further information is provided on compensation and interests of Directors and Senior Management as a group (the group). For this purpose, the group is defined as the Executive and Non-Executive Directors, other members of the GLT and the Company Secretary. For the financial year 2022, the following table sets out aggregate remuneration for the group for the periods during which they served in that capacity.

Remuneration for 2022	£
Total compensation paid	31,807,039
Aggregate decrease in accrued pension benefits (net of inflation)	(19,550)
Aggregate payments to defined contribution schemes	1,739,677

During 2022, members of the group were awarded shares and ADS under the company's various LTI plans, as set out in the table below. To align the interests of Senior Management with those of shareholders, Executive Directors and GLT members are required to build and maintain significant holdings of shares in GSK over time. GLT members are required to hold shares to an equivalent multiple of two times their base salary, and must continue to satisfy these share ownership requirements for a minimum of 12 months after leaving GSK.

	Awards		Dividend reinvestment awards	
Awarded during 2022	Shares	ADS	Shares	ADS
Performance Share Plan	1,973,531	52,484	317,026	32,823
Deferred Investment Awards[1,2]	–	–	17,352	419
Share Value Plan[2]	16,380	–	–	–

1) Notional shares and ADS.

2) Executive Directors are not eligible to receive Deferred Investment Awards or participate in the Share Value Plan.

Annual report on remuneration continued

Directors and Senior Management continued

At 3 March 2023, the group and their PCAs had the following interests in shares and ADS of the company. Interests awarded under the various LTI plans are described in Note 44 to the financial statements, 'Employee share schemes' on pages 262 to 263.

Interests at 3 March 2023	Shares	ADS
Owned	2,533,721	409,464
Unexercised options	3,160	–
Deferred Annual Bonus Plan	842,660	118,293
Performance Share Plan	7,084,743	617,307
Deferred Investment Awards[1,2]	280,056	8,968
Share Value Plan[2]	68,345	5,740

1) Notional shares.

2) Executive Directors are not eligible to receive Deferred Investment Awards or participate in the Share Value Plan.

Fees in respect of Executive Directors' external appointments

CEO

Emma Walmsley is an independent non-executive director of Microsoft Corporation. During 2022, she received $360,208, of which $125,208 was delivered as cash and $235,000 as stock options under the Microsoft Corporation's Deferred Compensation Plan for its non-employee directors.

CFO

On 11 July 2022, Iain Mackay became an independent non-executive director of National Grid plc. During 2022, he received £33,330 in fees which was delivered as cash.

Payments to past Directors (audited)

No payments were made to past Directors in 2022 with the exception of the value of the deferred bonus and accrued dividends made to Simon Dingemans, as described on page 142 of the 2021 Annual Report.

Payments for loss of office (audited)

No loss of office payments were made during 2022.

How our Remuneration policy continues to reflect Provision 40 of the UK Corporate Governance Code (the Code)

Clarity and simplicity

The remuneration arrangements for the Executive Directors are set out in a clear and simple way in the Remuneration policy. Whilst compiling and before finalising the Remuneration policy, the Committee consulted extensively with 40 shareholders representing 45% of our issued share capital, to ensure its full understanding of their views on the policy and transparency and clarity of the proposals and how they would be implemented. The fixed remuneration elements (salary, benefits and pension) are closely aligned with wider workforce arrangements and our pay for performance plans (Annual Bonus and Long-term incentive) reward delivery of financial, strategic and ESG objectives in the short and long term.

Risk

In line with the Code, we operate both deferral and post-vesting holding arrangements, in addition to operating malus and clawback provisions. The Committee retains discretion to adjust award outcomes (to zero if appropriate) should it consider the payout determined does not appropriately reflect the overall position and performance of the company.

Predictability and proportionality

Our Remuneration policy defines maximum limits on the total Annual Bonus and Long-term incentive opportunities, and payouts under these elements are linked to fulfilment of performance conditions that support the company's publicly stated ambitions. Through its implementation, maximum reward under our short- and long-term plans are only achievable for material outperformance against our stated ambitions.

Alignment to culture

GSK's purpose, strategy and culture continue to be directly reflected in the performance conditions set under the Annual Bonus and Long-term incentive. In particular, we have introduced an ESG measure in both our short- and long-term plans. These currently reinforce our diversity, equity and inclusion aspirations for 2025, and our Nature Net Positive and Climate Net Zero ambition by 2030. Our Share Ownership Requirements strengthen the focus on our strategic aims, and ensure alignment with the interests and experiences of shareholders, both during and after employment.

The Committee believes the Remuneration policy has been operated as intended in terms of company performance and quantum during 2022.

2022 Remuneration policy summary

The company's Remuneration policy was approved on 4 May 2022 at GSK's Annual General Meeting and has operated as intended since its approval. The full policy is available at gsk.com in the Investors section. Two administrative amendments to the company's Remuneration policy are being proposed for binding shareholder approval at GSK's 2023 Annual General Meeting, as described on page 163.

Executive Director Remuneration policy

Salary

To provide a core reward for the role. Set at a level appropriate to secure and retain high calibre individuals needed to deliver the Group's strategic priorities.

Operation

Individual's role, experience, performance and independently sourced data for relevant comparator groups considered when determining salary levels.

Salary increases typically take effect in the first quarter of each year.

Salaries are normally paid in the currency of the Executive Director's home country.

Opportunity

There is no formal maximum limit and, ordinarily, salary increases will be broadly in line with the average increases for the wider GSK workforce.

However, increases may be higher to reflect a change in the scope of the individual's role, responsibilities or experience. Salary adjustments may also reflect wider market conditions in the geography in which the individual operates.

Details of current salary levels are set out in the Annual report on remuneration.

Performance measures

The overall performance of the individual is a key consideration when determining salary increases.

Benefits

Levels are set to recruit and retain high calibre individuals to execute the business strategy.

Operation

Executive Directors are eligible to receive benefits in line with the policy for other employees which may vary by location. These include, but are not limited to, car allowances, healthcare, life assurance/death in service (where not provided as part of the individual's pension arrangements), personal financial advice and contractual post-retirement benefits. In line with the policy for other employees, Executive Directors may be eligible to receive overseas relocation allowances and international transfer-related benefits when required. Executive Directors in the UK are also eligible to participate in all-employee share schemes (e.g. Share Save and Share Reward plans), under which they are subject to the same terms as all other employees.

In order to recognise the high business travel requirements of the role, Executive Directors are also entitled to car travel and exceptionally may be accompanied by their spouse/partner on business trips. Other benefits include expenses incurred in the ordinary course of business, which are deemed to be taxable benefits on the individual.

Where an Executive Director is based outside the UK, but is required to travel to the UK to fulfil the responsibilities of their role and to attend Board Meetings, they may be subject to tax on their business travel expenses to and from the UK and on the provision of any accommodation in the UK. Although in reality it represents a business expense, the tax treatment requires that their travel and accommodation expenses are then included as benefits. Because of the business context, the tax liabilities will be covered by the company on a grossed-up basis.

Benefit provision is tailored to reflect market practice in the geography in which the Executive Director is based and different policies may apply if current or future Executive Directors are based in a different country.

Opportunity

There is no formal maximum limit as benefits costs can fluctuate depending on changes in provider cost and individual circumstances.

Details of current benefits and costs are set out in the Annual report on remuneration.

Performance measure

None

2022 Remuneration policy summary continued

Executive Director Remuneration policy continued

Pension

Pension arrangements provide a competitive level of retirement income.

Pension arrangements provide a competitive level of retirement income.

Operation

Pension arrangements are structured in accordance with the plans operated in the country in which the individual is likely to retire. Where the individual chooses not to become a member of the pension plan, cash in lieu of the relevant pension contribution is paid instead. Executive Directors in the UK are entitled either to join the defined contribution pension plan or to receive a cash payment in lieu of pension contribution.

Where an individual is a member of a GSK legacy defined benefit plan, a defined contribution plan or an alternative pension plan arrangement and is subsequently appointed to the Board, he or she may remain a member of that plan.

Opportunity

The policy for all current Executive Directors is:

UK:

- 20% of base salary contribution to defined contribution plan and further 5% in matched contributions subject to any relevant cap and in line with implementation principles for other members of the plan; and
- 20% of base salary as a cash payment in lieu of pension contribution for the portion above the relevant cap;

or

- 20% of base salary as a cash payment in lieu of pension contribution.

From 1 January 2023, any current UK Directors who are still in role will have their pension arrangements aligned to new Executive Directors' arrangements as follows.

Any new Executive Directors in the UK will receive from date of appointment:

- 7% of base salary contribution to defined contribution plan and further 3% in matched contributions subject to any relevant cap and in line with implementation principles for other members of the plan; and
- 7% of base salary as a cash payment in lieu of pension contribution for the portion above the relevant cap;

or

- 7% of base salary as a cash payment in lieu of pension contribution.

US[1]:

- Supplemental Cash Balance pension plan, providing annual contribution of 38% of base salary, less 5% of total base salary and bonus (net of the bonus deferred under the DABP)[3].
- GSK 401(k) plan[1] and the ESSP[1] with core contributions of 7% of salary and bonus[2] and matched contributions of 4% of salary and bonus[2].

From 1 January 2023, any current US Executive Directors who are still in role will have their pension arrangements aligned to new Executive Directors' arrangements as follows.

Any new Executive Directors in the US will receive from date of appointment:

- GSK 401(k) plan[1] and the ESSP[1] with core contributions of 7% of salary and bonus[2] and matched contributions of 4% of salary and bonus[2].

Global:

- Eligible for appropriate equivalent arrangement not in excess of the US/UK arrangements.

Performance measures

None.

(1) In the event of any change to the plans operated in the US, a similar treatment would be provided under any successor arrangements introduced within the market
(2) Less bonus deferred under the DABP
(3) The 5% offset is equal to the contribution to the 401(k) and ESSP which was moved from the pension plans, in line with the wider US workforce, from 1 January 2021

Annual Bonus

To incentivise and recognise execution of the business strategy on an annual basis. Rewards the achievement of stretching annual financial, strategic and operational measures.

Operation

Financial, operational and business targets are set at the start of the year by the Committee and bonus levels are determined by the Committee based on performance against those targets.

Strategic and operational measures are set at the start of the year by the Committee and performance against those measures is assessed by the Committee.

Executive Directors are required to defer part of any bonus earned into shares, or ADS as appropriate, for three years. 50% of the equivalent of the first 200% of salary is deferred, and any portion in excess of 200% is deferred in full. Deferred bonus shares are eligible for dividend equivalents up to the date of vesting.

The Committee may adjust the formulaic vesting outcome (either up or down) to ensure that the overall outcome reflects underlying business performance over the vesting period. Clawback and/or malus provisions apply as described on page 147 of the 2021 Annual Report.

Opportunity

The maximum bonus opportunity for Executive Directors is 300% of salary. Below 99% of target performance, the bonus payout on the financial measures will be nil. For target performance, the bonus payout will be 100% of salary.

2022 Remuneration policy summary continued

Executive Director Remuneration policy continued

Performance measures

Based on a combination of financial targets and individual/strategic and ESG performance objectives, with the majority of the bonus assessed against the financial measures. The weighting between different measures will be determined each year according to business priorities. Further details, including the measures to be used in the financial year, are provided in the Annual report on remuneration.

Selection of Annual Bonus measures

The Annual Bonus is designed to drive the achievement of GSK's annual financial, strategic and operational measures.

For this reason the majority of the Annual Bonus opportunity is based on a formal review of performance against stretching financial targets, with the remainder of the bonus subject to assessment of individual performance against the key strategic and operational measures which are aligned to the company's key objectives for that financial year and/or assessment of performance against ESG targets.

The Annual Bonus financial targets are set by reference to internal budget and external consensus targets.

Performance Share Plan (PSP)

To incentivise and recognise delivery of the longer term business priorities, financial growth and increases in shareholder value compared to other pharmaceutical companies. In addition, to provide alignment with shareholder interests, a retention element, to encourage long-term shareholding and discourage excessive risk taking.

Operation

Conditional awards are made annually with vesting dependent on the achievement of performance conditions over three years and are subject to an additional two-year holding period. PSP targets are set by reference to internal budget and external consensus targets.

Awards are eligible for dividend equivalents up to the date of vesting and release.

The Committee may adjust the formulaic vesting outcome (either up or down) to ensure that the overall outcome reflects underlying business performance over the vesting period.

Clawback and/or malus provisions apply as described on page 147 of the 2021 Annual Report.

Opportunity

The normal maximum award limits that may be granted under the PSP to an individual in any one year are set out in the table below:

	% of salary
CEO	600
CFO	400
Other Executive Directors	500

Performance measures

Based on a combination of financial, share price related and strategic and ESG performance conditions which are aligned to the company's strategic plan. For all measures, 25% of awards will vest at threshold performance. Further details, including the performance targets attached to the PSP in respect of each year, and the weightings of the targets for the 2022 PSP awards are provided in the Annual report on remuneration.

Selection of Long-term incentive measures

The Committee selects performance measures which focus Executive Directors' long-term remuneration on the delivery of GSK's key strategic priorities over the longer term. In addition to setting robust targets, the Committee has implemented a number of safeguards to ensure the targets are met in a sustainable way and performance reflects genuine achievement against targets and therefore represents the delivery of value for shareholders.

For each performance measure, the impact of any acquisition or divestment will be quantified and adjusted for after the event.

Any major adjustment in the calculation of performance measures will be disclosed to shareholders on vesting.

The Audit & Risk Committee chair and other members, who are also members of the Remuneration Committee, provide input on the Audit & Risk Committee's review of the Group's performance and oversight of any risk factors relevant to remuneration decisions.

Details of the rationale behind the performance measures selected and how they are calculated are set out in the 2021 Annual report on remuneration.

2022 Remuneration policy summary continued

Executive Director Remuneration policy continued

Share Ownership Requirements

No change

To align the interests of Executive Directors with those of shareholders, they are required to build and maintain significant holdings of shares in GSK over time. The requirements for each Executive Director are as follows:

	% salary
CEO	650
Other Executive Directors	300

As a minimum, Executive Directors are required to maintain 100% of their share ownership requirements to the end of the first year following retirement from the company and 50% to the end of the second year.

For details of our policy on clawback and malus, approach to recruitment remuneration, loss of office and termination payments, please refer to the full 2022 Remuneration policy report on pages 144 to 152 of the 2021 Annual Report, available on gsk.com in the Investors section

Differences between Remuneration policy for Executive Directors and other employees

When setting remuneration for the Executive Directors, the Committee considers the company's strategic priorities, prevailing market conditions for global talent, the competitive environment (through comparison with the remuneration of executives at companies of similar size, complexity and international reach) and the positioning and relativities of pay and employment conditions across the broader GSK workforce.

In particular, the Committee considers the range of base salary rises for the workforces of those parts of GSK where the Executive Directors are employed. This is considered to be the most relevant comparison as these populations reflect most closely the economic environments encountered by the individuals.

The same principles apply to the Remuneration policy for Executive Directors and other employees although the remuneration offered to Executive Directors under this policy has a stronger emphasis on performance-related pay than that offered to other employees of the Group.

- Salary and benefits (including pension) are tailored to the local market
- The Annual Bonus plan applies to the wider employee population and is based on business performance
- A combination of performance-related and restricted share plans apply to the wider employee population
- All-employee share plans are available to employees in the UK, including the HM Revenue & Customs approved UK Share Save and Share Reward plans

While employees are not directly consulted in respect of the Remuneration policy, Urs Rohner, the Committee Chair, meets with senior HR representatives from across the business to review employee feedback. Dame Vivienne Cox, an Independent Non-Executive Director, engages with employees on various topics, including remuneration, in her role as Workforce Engagement Director. Board members engage with employees around during Board meetings where they are encouraged to share their views on the company, management and remuneration.

Since approval of the Policy in May 2022, the Board has evolved its approach to workforce engagement. Further details are provided on page 115.

In the wider organisation, we have aligned our performance and reward systems with our Innovation, Performance and responsible business priorities and with a culture anchored in purpose and performance. Our performance system evaluates employees on both 'what' they need to do and 'how' they do it. Also, for our most senior people we disincentivise unethical working practices using a clawback mechanism that allows us to recover performance-related pay.

2022 Remuneration policy summary continued

Non-Executive Director Remuneration policy 2022

Non-Executive Directors' fees

Element	Purpose and link to strategy	Operation
Chair's fees	To provide an inclusive flat rate fee that is competitive with those paid by other companies of equivalent size and complexity subject to the limits contained in GSK's Articles of Association.	There is no formal maximum. However, fees are reviewed annually and set by reference to a review of the Chair's performance and independently sourced market data. The Committee is responsible for evaluating and making recommendations to the Board on the fees payable to the Chair. The Chair does not participate in discussions in respect of their fees.
Basic fees	As above	There is no formal maximum. As with the Chair, fees are reviewed annually and set by reference to independently sourced data. The Chair and CEO are responsible for evaluating and making recommendations to the Board on the fees payable to the company's Non-Executive Directors.
Fee payment	Alignment with shareholders	Fees are paid in cash. Non-Executive Directors (including the Chair) were required to invest at least 25% of their total net fees in shares or ADS of the company. The company has since replaced the 25% minimum investment requirement with a minimum share or ADS ownership requirement of at least one times the Non-Executive Director's (or Chair's) gross annual standard fees to be retained until their retirement from the Board. An administrative amendment to this section of the Remuneration policy is proposed for binding shareholder approval at the 2023 AGM as described on page 163.
Supplemental fees	To compensate Non-Executive Directors (other than the Chair) for taking on additional Board responsibilities or undertaking intercontinental travel.	Additional fees for the Senior Independent Director, Committee Chairs, Scientific and Medical Experts, the Workforce Engagement Director role and intercontinental travel. The company has the authority to pay an additional fee, up to the equivalent of the Committee Chair supplement to a Non-Executive Director, should the company require significant additional time commitment in exceptional or unforeseen circumstances. The company has the authority to pay an additional fee of up to £200,000 to Non-Executive Directors (excluding the Chair) who are members of the Science Committee for undertaking additional responsibilities on behalf of GSK and to support R&D.
Benefits	To facilitate execution of responsibilities and duties required by the role.	Travel and subsistence costs for Non-Executive Directors are incurred in the normal course of business in relation to meetings on Board and Committee matters and other GSK-hosted events. For overseas-based Non-Executive Directors, this includes travel to meetings in the UK. In the event it is necessary for business purposes, whilst not normal practice, Non-Executive Directors may be accompanied by their spouse or partner to these meetings or events. The costs associated with the above are all met by the company and, in some instances, they are deemed to be taxable and therefore treated as benefits for the Non-Executive Director.

Approach to recruitment remuneration

The following policy and principles apply to the roles of Chair and Non-Executive Director. It seeks to ensure alignment with shareholders through the requirement to invest in company shares and ADS.

Chair

Fees will be set at a level that is competitive with those paid by other companies of equivalent size and complexity. Fees will be paid partly in shares.

Non-Executive Directors

Fee levels for new Non-Executive Directors will be set on the same basis as for existing Non-Executive Directors of the company, subject to local laws and regulations.

In the event of a Non-Executive Director with a different role and responsibilities being appointed, fee levels will be benchmarked and set by reference to comparable roles in companies of equivalent size and complexity.

Loss of office

The Chair and other Non-Executive Directors are not entitled to receive any payments in respect of fees for loss of office when they retire or step down from the Board.

Administrative amendments to the 2022 Remuneration policy

Proposed amendments

Two administrative amendments to the company's 2022 Remuneration policy (Policy), which was approved at last year's AGM, are being proposed as ordinary resolutions for binding shareholder approval at the AGM on 3 May 2023. The Policy is subject to renewal in respect of remuneration for 2025. Given that these changes are purely administrative, a full consultation with employees was not undertaken on these amendments.

Non-Executive Directors' minimum share ownership requirement

The Non-Executive Directors section of the 2022 Policy includes a requirement for Non-Executive Directors (including the Chair) to invest a minimum of 25% of their net basic fees in shares or ADS of the company. The Policy also states that, should the company replace this requirement, any shares or ADS previously acquired in accordance with this 25% minimum investment requirement would: (i) continue to be held under those previous arrangements, (ii) count towards any expected minimum ownership requirement; and (iii) be delivered or released following the Non-Executive Director's (or Chair's) retirement from the Board.

The company has since replaced the 25% minimum investment requirement, as set out in the 2021 Annual Report, with a minimum share or ADS ownership requirement of at least one times the Non-Executive Director's (or Chair's) gross Annual Standard Fees to be retained until their retirement from the Board.

Shareholder approval will be sought to amend the Non-Executive Directors section of the Policy to allow the shares or ADS acquired under the previous 25% minimum investment requirement to be delivered or released to the Non-Executive Director (or Chair) at such time as the Board (excluding that Non-Executive Director or the Chair) considers appropriate (subject to any applicable tax withholding), rather than continue to be held under the previous arrangements.

This is subject to the Non-Executive Directors (or the Chair) undertaking to the company to hold such shares or ADS in the company until they retire from the Board. This will give the company greater operational flexibility, and reduce the administrative burden, in the implementation of the new minimum share ownership requirement whilst ensuring that the Non-Executive Directors (and the Chair) continue to maintain a meaningful and prudent level of investment which aligns their interests with shareholders.

Clawback and malus

Shareholder approval will be sought to amend the Clawback and malus section of the Policy to expressly refer to the company's ability to update its clawback policies, and to make disclosures in relation to clawback, in each case as required by applicable regulatory requirements, including the recently adopted Securities and Exchange Commission (SEC) rules (and the New York Stock Exchange (NYSE) listing standards implementing those rules) on clawback in the event of an accounting restatement.

The SEC adopted new rules, in late 2022, which require the NYSE (amongst others) to adopt new listing standards that require a listed company to clawback erroneously awarded incentive-based compensation whenever it is required to prepare an accounting restatement that corrects an error in a previously issued financial statement, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. These new listing standards are expected to become effective in late 2023. GSK shares are listed and traded on the NYSE in the form of ADS and GSK will, as a result, be subject to the new listing standards which are expected to require clawback in circumstances that are wider than those currently provided for by the company's policies. The related SEC rules will also require GSK to make certain disclosures in connection with its clawback policy in its annual report on Form 20-F (including filing a copy of the clawback policy with the SEC).

The proposed changes to the 'Clawback and malus' element of the Policy are intended to ensure clarity by expressly referring to the company's ability to update its clawback policies, and to make disclosures in relation to clawback, in each case as required by applicable regulatory requirements (including the SEC and NYSE requirements). The Committee will update its current recoupment policies as required to meet the new NYSE listing standards and the related SEC disclosure requirements once they become effective.

Operation and scope of Remuneration policy

The Remuneration policy (Policy) is set out on pages 144 to 152 of the 2021 Annual Report and it is intended that the Policy for GSK's Executive and Non-Executive Directors will operate for a period of three years from the date of approval at the company's Annual General Meeting on 4 May 2022.

The Committee wrote the Policy principally in relation to the remuneration arrangements for the Executive Directors, whilst taking into account the possible recruitment of a replacement or an additional Executive Director during the operation of the Policy. The Committee intends the Policy to operate for the period set out above in its entirety. However, it may after due consideration seek to change the Policy during this period, but only if it believes it is appropriate to do so for the long-term success of the company, after consultation with shareholders and having sought shareholder approval at a general meeting.

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy where the terms of the payment were agreed:

(i) before the AGM on 7 May 2014 (the date the company's first shareholder-approved Directors' Remuneration policy came into effect);

(ii) before the Policy came into effect, provided that the terms of the payment were consistent with the shareholder-approved Remuneration policy in force at the time they were agreed; or

(iii) at a time when the relevant individual was not a Director of the company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares or ADS, the terms of the payment are 'agreed' at the time the award is granted.

Performance Share Plan (PSP) awards are subject to the terms of the PSP plan rules under which the award has been granted. The Committee may adjust or amend awards only in accordance with the provisions of the plan rules. This includes making adjustments to reflect one-off corporate events, such as a change in the company's capital structure.

The Committee may also make minor amendments to the Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for such amendments.

Basis of preparation

The Annual report on remuneration has been prepared in accordance with the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Regulations). In accordance with the Regulations, the following parts of the Annual report on remuneration are subject to audit: total remuneration figures for Executive Directors including further details for each element of remuneration (salary, benefits, pension, Annual Bonus and Long-term incentive awards); Non-Executive Directors' fees and emoluments received in the year; Directors' interests in shares, including interests in GSK share plans; payments to past Directors; payments for loss of office; and share ownership requirements and holdings, for which the opinion thereon is expressed on page 181. The remaining sections of the Annual report on remuneration are not subject to audit nor are the pages referred to from within the audited sections.

The Annual report on remuneration has been approved by the Board of Directors and signed on its behalf by:

Urs Rohner
Remuneration Committee Chair

9 March 2023