

POL-GSK-302 Policy on Political Contributions

GSK Corporate POL_87161 (5.0)

Why do we have this Policy?

What does this policy cover?

We do not make political contributions to any individual or organisation in any country in which we operate.

Political contributions are defined as any gift, subscription, loan, advance or deposit of money or *anything of value* made for the purpose of influencing any election for office or any period in office. They include in-kind contributions (goods, commodities or services instead of money).

Contributions by GSK's US *Political Action Committee* (PAC) are not affected by this policy.

This policy should be considered as part of the broader framework for interacting with government officials set out in SOP-GSK-007.

Why should you read this?

This policy applies to all employees, Complementary Workers worldwide, within all sectors, regions, areas and functions of the company, as well as all third parties acting on our behalf.

Those who violate this policy will face disciplinary action up to and including dismissal.

Corporate Secretariat will ensure the Annual Report states our policy of not making political contributions. Any inadvertent contributions will be reported in the Annual Report, which will also contain an explanation of any contributions by GSK's US PAC.

What do you need to know?

Company-wide Requirements

Given the broad definition of a 'political' organisation under certain laws, operating companies who are concerned that they may be considering a political contribution must check with their Compliance Officer and Legal that the contribution is not a political contribution under relevant laws (and therefore contrary to this policy) before proceeding.

US-specific Provisions

We do not allow contributions to candidates for state office in the US even though they are allowed under US law.

Our US operating company has set up a Political Action Committee (PAC) to enable employees to make lawful voluntary contributions.

A board made up of 20 members working across divisions of our US operating unit decides the fund's contributions.

Contributions to tax-exempt political bodies known as "527 organisations" are not defined as political contributions and are therefore permitted under this policy.

Shareholder Approval

English law defines

- EU political 'contributions' broadly to include activities that would not normally be considered political contributions. They may include contributions to organisations that undertake activities intended to affect public support for a political party or candidate for public office, or to influence voters during a national or regional referendum held under the laws of any Member State, as well as funding meetings with politicians in their capacity as political party officials; and
- EU political 'expenditure' to cover any costs incurred by a company in preparing and distributing publicity material for a political party, organisation or candidate for activities intended to affect public support for one of those groups.

English law also requires prior shareholder approval for political contributions to EU political parties and independent election candidates as well as for any EU political expenditure. It further states that our directors can be personally liable to repay with interest any *unapproved* political contributions and may be liable to pay damages for any loss or damage sustained by the company.

Therefore, while we have no intention of making any political contributions or incurring any political expenditure, in order to protect the company against an inadvertent breach of law, we annually ask our shareholders to approve strictly limited funds to cover payments that could be considered political contributions to an EU political party or independent election candidate or EU political expenditure.

If you have concerns

If you have concerns about how to apply this policy you should bring them to the attention of a manager, supervisor or Compliance Officer. If you see any violations of this company policy, please report it through the appropriate Speak Up channels.



To find your local Speak Up integrity line number or to report online, please visit: www.gsk.com/integrity

If you are out of compliance or feel you are unable to comply with the policy please contact your **business unit Compliance Officer**

Definitions of terms in italics in this document can be found in the *GSK Glossary*

Administration

Governance Board Approval: Global Ethics and Compliance RMCB

Governance Approval Date: 21-Sept-2015

Owner: Alex Fell, Head, Compliance Operations

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History: This procedure supersedes and replaces POL_87161 (4.0) - POL_GSK_302 Political Contributions

Changes since last revision

- a. Confirmation that the Policy applies to Third Parties working on GSK's behalf
- b. Compliance and Legal now assume responsibility for supporting implementation of the Policy (replacing GAPPPA and Corporate Secretariat)
- c. Clarification of English law definitions relating to EU political contributions and EU political expenditure.

Previous Versions:
 17-Oct-2013: POL_87161 (4.0)
 14-Dec-2010: POL_87161 (3.0)
 03-Aug-2009: POL_87161 (2.0)

See CDMS for Document Effective Date