



GlaxoSmithKline

## GlaxoSmithKline plc

Notice of Annual General Meeting

Thursday, 3 May 2012 at 2.30pm

**This document is important and requires your immediate attention.** If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

26 March 2012

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

Dear Shareholder,

### Annual General Meeting 2012

I am pleased to enclose the Notice of Meeting for the twelfth Annual General Meeting (AGM) of GlaxoSmithKline plc. The AGM will be held on Thursday, 3 May 2012 at 2.30pm at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE.

If you will not be attending, you may appoint a proxy by completing and returning the enclosed proxy card. Alternatively, you may appoint a proxy electronically via [www.shareview.co.uk](http://www.shareview.co.uk), [www.sharevote.co.uk](http://www.sharevote.co.uk), or if you hold your shares in CREST, via the CREST system. Notice of your appointment of a proxy should reach the company's registrars, Equiniti, by 2.30pm on Tuesday, 1 May 2012 (if you hold your shares through a nominee service, please contact the nominee service provider regarding the process for appointing a proxy).

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

In accordance with the UK Corporate Governance Code, all of the Directors of the company will stand for re-election to the Board, with the exception of James Murdoch, who has decided not to stand for re-election.

In addition, resolutions are proposed to retain a notice period for general meetings other than an AGM of 14 days; and to omit from the published copies of the company's Annual Report 2012 the name of the individual who signs the auditors' reports on behalf of the company's auditors.

We are also asking you to approve the renewal of two all-employee share plans, as we wish to continue to have use of these plans on substantially the same terms.

Explanatory notes for all the business of the AGM are given on pages 11 to 21 of this document.

### Recommendation

**Your Board believes that the resolutions contained in the Notice of Meeting are in the best interests of the company and shareholders as a whole and recommends that you vote in favour of them, as your Directors intend to do in respect of their beneficial shareholdings.**

Yours sincerely,



**Sir Christopher Gent**  
Chairman  
**GlaxoSmithKline plc**

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

## Notice of Meeting

Notice is hereby given that the twelfth AGM of GlaxoSmithKline plc will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Thursday, 3 May 2012 at 2.30pm to consider and, if thought fit, pass the following resolutions.

All resolutions will be proposed as ordinary resolutions, save for resolutions 21, 22 and 24 which will be proposed as special resolutions.

### Ordinary Business

- 1 To receive and adopt the Directors' Report and the Financial Statements for the year ended 31 December 2011.
- 2 To approve the Remuneration Report for the year ended 31 December 2011.
- 3 To re-elect Sir Christopher Gent as a Director.
- 4 To re-elect Sir Andrew Witty as a Director.
- 5 To re-elect Professor Sir Roy Anderson as a Director.
- 6 To re-elect Dr Stephanie Burns as a Director.
- 7 To re-elect Stacey Cartwright as a Director.
- 8 To re-elect Larry Culp as a Director.
- 9 To re-elect Sir Crispin Davis as a Director.
- 10 To re-elect Simon Dingemans as a Director.
- 11 To re-elect Judy Lewent as a Director.
- 12 To re-elect Sir Deryck Maughan as a Director.
- 13 To re-elect Dr Daniel Podolsky as a Director.
- 14 To re-elect Dr Moncef Slaoui as a Director.
- 15 To re-elect Tom de Swaan as a Director.
- 16 To re-elect Sir Robert Wilson as a Director.
- 17 To authorise the Audit & Risk Committee to re-appoint PricewaterhouseCoopers LLP as the auditors to the company to hold office from the end of the Meeting to the end of the next Meeting at which accounts are laid before the company.
- 18 To authorise the Audit & Risk Committee to determine the remuneration of the auditors.

### Special Business

#### 19 Donations to political organisations and political expenditure (ordinary resolution)

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

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

in each case during the period beginning with the date of passing this resolution and ending at the end of the next AGM of the company to be held in 2013 or, if earlier, at the close of business on 28 June 2013. In any event, the aggregate amount of political donations and political expenditure made or incurred under this authority shall not exceed £100,000.

## **20 Authority to allot shares (ordinary resolution)**

THAT the Directors be and are hereby generally and unconditionally authorised, in accordance with section 551 of the Act, in substitution for all subsisting authorities, to exercise all powers of the company to allot shares in the company and to grant rights to subscribe for or convert any security into shares in the company up to an aggregate nominal amount of £420,687,066, which authority shall expire at the end of the next AGM of the company to be held in 2013 or, if earlier, at the close of business on 28 June 2013 (unless previously revoked or varied by the company in general meeting) save that under such authority the company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert any security into shares in pursuance of such an offer or agreement as if the relevant authority conferred hereby had not expired.

## **21 Disapplication of pre-emption rights (special resolution)**

THAT subject to resolution 20 being passed, in substitution for all subsisting authorities, the Directors be and are hereby empowered to allot equity securities (as defined in the Act) for cash pursuant to the authority conferred on the Directors by resolution 20 and/or where such allotment constitutes an allotment of equity securities under section 560(3) of the Act, free of the restrictions in section 561(1) of the Act, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer or issue of equity securities to:
  - (i) Ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) holders of other equity securities, as required by the rights of those securities or as the Board otherwise considers necessary,

but so that the Directors may impose any limits or make such exclusions or other arrangements as they consider expedient in relation to Treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems under the laws of, or the requirements of, any relevant regulatory body or stock exchange, in any territory, or any matter whatsoever; and

- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £63,109,370, and shall expire at the end of the next AGM of the company to be held in 2013 or, if earlier, at the close of business on 28 June 2013, save that the company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the relevant authority conferred hereby had not expired.

## **22 Purchase of own shares by the company (special resolution)**

THAT the company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of its own Ordinary Shares of 25 pence each provided that the:

- (a) maximum number of Ordinary Shares hereby authorised to be purchased is 504,874,967;
- (b) minimum price, exclusive of expenses, which may be paid for each Ordinary Share is 25 pence;
- (c) maximum price, exclusive of expenses, which may be paid for each Ordinary Share shall be the higher of (i) an amount equal to 5% above the average market value for the company's Ordinary Shares for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is carried out; and
- (d) authority conferred by this resolution shall, unless renewed prior to such time, expire at the end of the next AGM of the company to be held in 2013 or, if earlier, at the close of business on 28 June 2013, save that the company may, before such expiry, enter into a contract for the purchase of Ordinary Shares which would or might be completed wholly or partly after such expiry and the company may purchase Ordinary Shares pursuant to any such contract as if this authority had not expired.

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

THAT:

- (a) in accordance with section 506 of the Act, the name of the person who signs the auditors' reports to the company's members on the annual accounts and auditable reports of the company for the year ending 31 December 2012 as senior statutory auditor (as defined in section 504 of the Act) for and on behalf of the company's auditors, should not be stated in published copies of the reports (such publication being as defined in section 505 of the Act) and the copy of the reports to be delivered to the Registrar of Companies under Chapter 10 of Part 15 of the Act; and
- (b) the company considers on reasonable grounds that statement of the name of the senior statutory auditor would create or be likely to create a serious risk that the senior statutory auditor, or any other person, would be subject to violence or intimidation.

**24 Reduced notice of a general meeting other than an Annual General Meeting (special resolution)**

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

**25 Renewal of the GlaxoSmithKline ShareSave Plan (ordinary resolution)**

THAT the GlaxoSmithKline 2012 ShareSave Plan (the ShareSave Plan), the main terms of which are summarised in the explanatory notes to this Notice, be and is hereby approved and adopted and the Directors are hereby authorised to:

- (a) do whatever may be necessary or expedient to carry the ShareSave Plan into effect, including making such modifications to obtain and/or maintain the approval of HM Revenue & Customs; and
- (b) establish any further plans for the benefit of employees outside the UK, based on the ShareSave Plan, but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against any limits on individual and overall participation contained in the ShareSave Plan.

**26 Renewal of the GlaxoSmithKline ShareReward Plan (ordinary resolution)**

THAT the GlaxoSmithKline 2012 ShareReward Plan (the ShareReward Plan), the main terms of which are summarised in the explanatory notes to this Notice, be and is hereby approved and adopted and the Directors are hereby authorised to:

- (a) do whatever may be necessary or expedient to carry the ShareReward Plan into effect, including making such modifications to obtain and/or maintain the approval of HM Revenue & Customs; and
- (b) establish any further plans for the benefit of employees outside the UK, based on the ShareReward Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against any limits on individual and overall participation contained in the ShareReward Plan.

**By Order of the Board**

**Victoria Whyte**

Company Secretary

**GlaxoSmithKline plc**

Registered in England & Wales

No. 3888792

Registered office:

980 Great West Road

Brentford

Middlesex TW8 9GS

## Notes

- (i) All resolutions at the AGM will be decided by poll as required by the company's Articles of Association.
- (ii) A member of the company is entitled to appoint one or more proxies to attend the AGM, and to speak and vote on his or her behalf, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the company.
- (iii) a) To appoint a proxy you may:
  - complete the proxy card enclosed with this Notice of AGM which should be returned directly to Equiniti at the address given in Note (iii) (e) overleaf; or
  - if you have a Shareview portfolio, register your vote electronically by visiting [www.shareview.co.uk](http://www.shareview.co.uk), logging into your account and following the instructions provided; or
  - register the appointment of your proxy electronically using the internet by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) using the Voting ID, Task ID and Shareholder reference number printed on your enclosed proxy card and following the instructions provided. Please note that any electronic communication sent to the company's registrars in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted; or
  - if you hold your shares in uncertificated form in CREST, you may utilise the CREST electronic proxy appointment service by using the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed a service provider or providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Further details of voting via CREST are also given on page 22.
- b) The proxy appointment must be received by the company's registrars, Equiniti, by 2.30pm on Tuesday, 1 May 2012.
- c) The "Vote withheld" option is provided to enable a member (shareholder) to withhold his or her vote on any particular resolution. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a resolution.
- d) If you do not have a proxy card and believe that you should have been sent one, or if you require additional proxy cards, please contact Equiniti on one of the numbers given in Note (iii) (e) overleaf.

- e) The return of a completed proxy card, other instrument or any CREST Proxy Instruction will not prevent a member from attending the Meeting and voting in person if he or she wishes to do so.

Equiniti can be contacted by post at:

Equiniti Limited

FREEPOST SEA 10846

Aspect House

Spencer Road

Lancing, BN99 6ZL

Tel: + 44 (0)871 384 2991\* (in the UK)

Tel: + 44 (0)121 415 7067 (outside the UK)

*\*At the time of publication, calls to this number were charged at 8 pence per minute from a BT landline. The prices charged by BT and other telephony providers may change from time to time. Lines are open from 8.30am to 5.30pm Monday to Friday.*

- (iv) Holders of the company's American Depository Shares evidenced by American Depository Receipts (ADRs) may exercise their votes through the Depository, The Bank of New York Mellon. Such holders wishing to attend the AGM should obtain prior authority by being nominated an "Appointed Proxy" by the Depository, who can be contacted at:

The Bank of New York Mellon

PO Box 358516

Pittsburgh, PA 15252-8516

USA

Tel: + 1 877 353 1154 (US toll free)

Tel: + 1 201 680 6825 (outside US)

- (v) Participants in the company's Corporate Sponsored Nominee service may exercise their votes through the company's registrars, Equiniti, by using the form of direction enclosed with this Notice of Meeting, which should be returned direct to Equiniti at the address in Note (iii) (e) above. Please note that the form of direction must be received by 2.30pm on Friday, 27 April 2012.

- (vi) Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member to exercise the voting rights.

The statements of the rights of members in relation to the appointment of proxies in Notes (ii) and (iii) above do not apply to Nominated Persons. The rights described in those Notes can only be exercised by members of the company.



- (vii) Copies of service contracts or, where applicable, letters of appointment, between Directors and the company or any of its subsidiaries (and any side letters relating to severance terms and pension arrangements) and the rules of the ShareSave Plan and the ShareReward Plan are available for inspection at the company's registered office given above during normal business hours (Saturdays, Sundays and public holidays excepted) and at the place of the AGM on Thursday, 3 May 2012 from 1.30pm until the end of the Meeting.
- (viii) Members must be entered on the company's register of members at 6.00pm on Tuesday, 1 May 2012, or, in the event of an adjournment, 6.00pm on the date which is two business days before the time of the adjourned meeting, to be entitled to attend and vote at the AGM. Members may cast votes only in respect of shares of which they were registered holders at such time, and changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM.
- (ix) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if there is more than one corporate representative, they do not do so in relation to the same shares.
- (x) Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the company has been required under section 527 of the Act to publish on a website.
- (xi) Any shareholder, proxy or joint shareholder attending the Meeting has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the company or the good order of the Meeting that the question be answered.
- (xii) In the case of joint shareholders where one or more of the joint shareholders purports to appoint a proxy, only the vote of the first named in the register of members of those who have purported to appoint a proxy shall be accepted.

- (xiii) A copy of this Notice, and other information required by section 311A of the Act, can be found at [www.gsk.com](http://www.gsk.com).
- (xiv) Under sections 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the company: (i) to give, to members of the company entitled to receive notice of the Meeting, notice of a resolution which may properly be moved and is intended to be moved at the Meeting, and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the company not later than Wednesday, 21 March 2012, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
- (xv) Any electronic address provided either in this Notice or any related documents (including the Chairman's letter and proxy card) may not be used to communicate with the company for any purposes other than those expressly stated.
- (xvi) To be admitted to the AGM, shareholders are asked to present their admission card (which is attached to the proxy card) or present proof of identity.
- (xvii) On arrival at the place of the AGM, all those entitled to vote will be required to register and collect a poll card.

## Explanatory notes to the business of the AGM

### Ordinary Business

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

#### **Resolution 1 – To receive and adopt the Directors’ Report and the Financial Statements for 2011**

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

#### **Resolution 2 – To approve the Remuneration Report 2011**

In accordance with section 439 of the Act, shareholders are invited to vote on the Remuneration Report, which may be found on pages 106 to 133 of the Annual Report 2011. The vote is advisory only. The Directors’ entitlement to remuneration is not conditional on this resolution being passed.

#### **Resolutions 3-16 – the re-election of Directors**

In accordance with the UK Corporate Governance Code, all of the Directors of the company will stand for re-election to the Board, with the exception of James Murdoch who has decided not to stand for re-election.

Stacey Cartwright, Simon Dingemans and Judy Lewent were appointed by the Board in 2011 and elected by the shareholders at the AGM in 2011. All of the other Directors were re-elected by the shareholders at the AGM in 2011.

Larry Culp, Sir Crispin Davis and Sir Robert Wilson were elected by the shareholders to the Board at the AGM in 2004; Sir Christopher Gent and Sir Deryck Maughan were elected to the Board in 2005; Dr Moncef Slaoui and Tom de Swaan were elected to the Board in 2006; Dr Daniel Podolsky and Dr Stephanie Burns were elected to the Board in 2007; and Professor Sir Roy Anderson and Sir Andrew Witty were elected to the Board in 2008.

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

Sir Crispin Davis, Sir Robert Wilson, Larry Culp and Tom de Swaan have each served as Non-Executive Directors for more than six years and their performance has been subject to a rigorous review. The Board has concluded that they continue to be effective Non-Executive Directors.

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

All the Non-Executive Directors have letters of appointment rather than service contracts. Sir Andrew Witty, Simon Dingemans and Dr Moncef Slaoui have service contracts with notice periods of 12 months. The Non-Executive Directors' letters of appointment and Executive Directors' service contracts are available for inspection as specified in Note (vii) above.

Biographical details of each of the Directors standing for re-election to the Board at the AGM are given in the company's Annual Report 2011. In addition, current biographical details for each Director are maintained on [www.gsk.com](http://www.gsk.com).

### **Resolutions 17 and 18 – To authorise the Audit & Risk Committee to re-appoint PricewaterhouseCoopers LLP as auditors to the company and to determine their remuneration**

At every general meeting at which accounts are presented to shareholders, the company is required to appoint auditors to serve from the end of the Meeting until the next such Meeting. PricewaterhouseCoopers LLP (PwC) have indicated that they are willing to continue as the company's auditors for another year. The Audit & Risk Committee has reviewed PwC's effectiveness and recommends their re-appointment. You are asked to authorise the Audit & Risk Committee to re-appoint them and, following normal practice, to authorise the Audit & Risk Committee to determine their remuneration. Details of the company's policy with regard to the appointment of auditors, the allocation of non-audit work and details of work undertaken by the auditors and their remuneration are given in the company's Annual Report 2011 which can be viewed on [www.gsk.com](http://www.gsk.com).

### **Special Business**

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

### **Resolution 19 – Donations to political organisations and political expenditure (ordinary resolution)**

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

The Act requires companies to obtain shareholder approval before they can make donations to EU political parties, other political organisations or independent election candidates, or incur EU political expenditure. The company does not make and does not intend to make donations to political parties, other political organisations or independent election candidates, nor does it incur, or intend to incur, EU political expenditure, within the ordinary meaning of those words. However, the definitions of political donations, political expenditure and political organisations used in the Act are very wide. In particular, the definition of political organisations may extend to bodies such as those concerned with policy review, law reform, the representation of the business community and special interest groups such as those concerned with the environment, which the company and its subsidiaries might wish to support. As a result, the definitions may cover legitimate business activities not in the ordinary sense considered to be political donations or political expenditure. Such activities are not designed to support any political party or independent election candidate or to influence public support for any political party or independent election candidate. The authority which the Board is requesting is a precautionary measure to ensure that the company and its subsidiaries do not inadvertently breach the Act, and will be capped at £100,000 for the next year.

No payments have been made under previous authorities given in this regard.

### **Resolution 20 – Authority to allot shares (ordinary resolution)**

This resolution gives the Directors authority to allot unissued share capital with a nominal value of up to £420,687,066 (representing 1,682,748,264 Ordinary Shares of 25 pence each) which, as at 2 March 2012, being the latest practicable date prior to the publication of this Notice, represented 33.33% of the issued share capital of the company (excluding Treasury shares).

The authority sought under this resolution will expire on the earlier of close of business on 28 June 2013 (being the last date by which the company must hold an AGM in 2013) and the conclusion of the AGM to be held by the company in 2013.

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

### **Resolution 21 – Disapplication of pre-emption rights (special resolution)**

This resolution gives the Directors authority to allot Ordinary Shares (including any Ordinary Shares which the company has purchased and elected to hold as Treasury shares) for cash without first offering them to existing shareholders in proportion to their existing shareholdings and is limited to allotments or sales in connection with rights issues or other pre-emptive offers, or otherwise up to a maximum nominal amount of £63,109,370 (representing 252,437,480 Ordinary Shares of 25 pence each), which, as at 2 March 2012, being the latest practicable date prior to the publication of this Notice, represented just less than 5% of the company's issued share capital (excluding Treasury shares). In respect of this aggregate nominal amount, the Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period, where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority sought under this resolution will expire on the earlier of close of business on 28 June 2013 (being the last date by which the company must hold an AGM in 2013) and the conclusion of the AGM to be held by the company in 2013. This authority is granted under sections 570 and 573 of the Act and is a standard authority taken by most listed companies each year.

### **Resolution 22 – Purchase of own shares by the company (special resolution)**

This resolution seeks authority for the company to make market purchases of its own Ordinary Shares. In certain circumstances it may be advantageous for the company to purchase its own shares and the Directors consider it to be desirable for this general authority to be available to provide flexibility in the management of the company's capital resources. Purchases of the company's own shares will be made only if to do so would result in an increase in earnings per share and would be in the best interests of shareholders generally. You are asked to consent to the purchase by the company of up to a maximum of 504,874,967 Ordinary Shares, which, as at 2 March 2012, being the latest practicable date prior to the publication of this Notice, represented just less than 10% of the company's issued share capital (excluding Treasury shares). The authority sought under this resolution will expire on the earlier of close of business on 28 June 2013 (being the last date by which the company must hold an AGM in 2013) and the conclusion of the AGM to be held by the company in 2013. The maximum price which may be paid for an Ordinary Share will be the higher of (i) 105% of the average middle market quotations for the five business days preceding the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid at the

time the purchase is carried out. The minimum price which may be paid for an Ordinary Share is its nominal value of 25 pence. The company may either retain any of its own shares which it has purchased as Treasury shares with a view to possible re-issue at a future date, or cancel them. Holding the shares as Treasury shares gives management the ability to re-issue them quickly and cost-effectively and would provide the company with additional flexibility in the management of its capital base.

The total number of options over Ordinary Shares outstanding as at 2 March 2012, being the latest practicable date prior to the publication of this Notice, was approximately 140 million, representing approximately 2.78% of the issued share capital (excluding Treasury shares). If the authority to buy back shares under this resolution was exercised in full, the total number of options to subscribe for Ordinary Shares outstanding as at 2 March 2012 would, assuming no further Ordinary Shares are issued, represent 3.09% of the issued share capital (excluding Treasury shares). The obligations of the company in respect of Ordinary Shares issuable under options outstanding are partly hedged by Ordinary Shares held by the Group's Employee Share Ownership Plan (ESOP) Trusts, details of which can be found in the Annual Report 2011 which is available on the company's website at [www.gsk.com](http://www.gsk.com).

The company's current intention is to satisfy the exercise of outstanding options over approximately 11 million Ordinary Shares, representing approximately 0.22% of the issued share capital of the company (excluding Treasury shares), by the release of Ordinary Shares from the Group's ESOP Trusts, which on 2 March 2012 held approximately 81 million Ordinary Shares, and the remainder by the issue of new Ordinary Shares.

### **Resolution 23 – Exemption from statement of the name of the senior statutory auditor in published copies of the auditors' reports (ordinary resolution)**

The Act requires that each and every copy of the auditors' reports to the company's shareholders on the Annual Report, and other auditable reports, which are published by or on behalf of the company, must state, where the company's auditors are a firm, the name of the person who signed them in his or her own name as senior statutory auditor in relation to the audit, for and on behalf of the auditors. However, the Act provides an exemption from this requirement if the company considers on reasonable grounds that statement of the individual's name would create, or be likely to create, a serious risk that he or she or any other person would be subject to violence or intimidation. For many years, the company and its legacy companies, together with its employees, have been the focus of protests by various animal protection groups, some of which have engaged in aggressive, abusive and hostile acts. The Directors therefore believe that it is appropriate that the company should seek to utilise the confidentiality afforded to the senior statutory auditor of the company's auditors under the Act. This resolution therefore seeks shareholder approval for the auditors' reports for the financial year ending 31 December 2012 to omit the name of the senior statutory auditor. The company would give notice to the Secretary of State in the appropriate format if this resolution is passed.

## **Resolution 24 – Reduced notice of a general meeting other than an Annual General Meeting (special resolution)**

This resolution seeks to renew an authority granted at last year's AGM to allow the company to call general meetings other than an AGM on 14 clear days' notice. Changes made to the Act by The Companies (Shareholders' Rights) Regulations 2009 (the Shareholders' Rights Regulations) increase the notice period required for general meetings of the company to 21 days unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice. Before the Shareholders' Rights Regulations came into force on 3 August 2009, the company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval. Resolution 24 seeks to preserve the ability to do this. If passed, this resolution will enable the company to retain maximum flexibility to seek shareholder approval for any future change or transaction that may require such approval. The resolution will be effective until the company's next AGM, when it is intended that a similar resolution will be proposed. The company confirms that it will give as much notice as practicable when calling a general meeting and that it does not intend to use this authority as a matter of routine. The company envisages that this authority would be used (in limited circumstances for time-sensitive matters) where a shorter notice period would in the Board's opinion be to the advantage of shareholders as a whole, and where flexibility is merited by the nature of the business of the meeting.

Shareholders should note that if the company calls a general meeting on less than 21 clear days' notice, the company will provide a means for all shareholders to vote electronically for that meeting.

## **Resolutions 25 and 26 – Renewal of employee share plans (ordinary resolutions)**

These resolutions seek approval to adopt new plans on substantially the same terms as the existing GlaxoSmithKline ShareSave Plan and GlaxoSmithKline ShareReward Plan, in each case for a further 10 years. The rules of the new plans, which will be available for inspection at the company's registered office and at the offices of Slaughter & May LLP, One Bunhill Row, London EC1Y 8YY from the date of this Notice, and at the AGM on Thursday, 3 May 2012 from 1.30pm until the end of the Meeting, have been updated for changes in legislation, best practice and market developments. The principal terms of the plans are set out below.

Options granted under the ShareSave Plan are not transferable. Benefits under the ShareSave Plan and the ShareReward Plan are not pensionable.

It is anticipated that the ShareSave Plan and the ShareReward Plan will be approved by HM Revenue & Customs to enable the company to operate the new plans with tax favourable treatment for eligible employees.

### **Dilution limits**

Commitments to issue new shares may not, when added to the total number of Ordinary Shares which have been allocated in the previous 10 years under the existing ShareReward and ShareSave Plans and any other employee share plan operated by the company, on any day exceed 10% of the Ordinary share capital of the company in issue immediately before that day. In accordance with UK institutional shareholders' recommendations, this limit does not include rights to shares which have lapsed or been surrendered, but does include any shares transferred out of Treasury.

## **ShareSave Plan**

Under the ShareSave Plan options are granted to acquire shares at a discount to the market price. The options may be exercised using savings deducted from salary over the option period.

### **Eligibility**

All employees, including Executive Directors, of the company and any subsidiaries designated by the Directors as participating companies are eligible to join the ShareSave Plan, provided that they are UK tax residents and have been employed by the company or a participating company for a qualifying period determined by the Directors, which may not exceed five years. When the ShareSave Plan is operated, all eligible employees must be invited to participate.

### **Savings contract**

Under the ShareSave Plan, each participant is granted an option over Ordinary Shares and must enter into a savings contract in connection with the option, to save between £5 and £250 per month by deduction from his or her salary over a period of three or five years. Shares can only be acquired with the amount saved (plus any interest or bonus).

### **Option price**

The Directors set the option price which must not be less than 80% of the market value of an Ordinary Share on the business day before the date of invitation to employees to participate, or on the date specified in the invitation, or the average market value over the three preceding business days.

### **Exercise of options**

Options can normally only be exercised for six months starting three or five years after the start of the savings contract. Options may, however, be exercised early, to the extent of the savings made, in certain circumstances, including, for example, an employee leaving because of ill-health, retirement, death or redundancy, or where the company or business for which he or she works leaves the GlaxoSmithKline group. On cessation of employment for other reasons, options will normally lapse.

### **Change of control or other reorganisations**

On a take-over, scheme of arrangement or certain other corporate reorganisations, options can generally be exercised early to the extent of the savings made up to the date of the corporate event. Alternatively, participants may be permitted to exchange their options for options over shares in the acquiring company.



## Operation of the ShareSave Plan

Invitations may only be made under the ShareSave Plan 28 days preceding or 42 days following:

- (i) the day on which the ShareSave Plan was formally approved by HM Revenue & Customs;
- (ii) any announcement of results to the London Stock Exchange;
- (iii) any day on which changes to the legislation or regulations affecting the ShareSave Plan are announced, effected or made;
- (iv) the lifting of any restrictions which prevented the granting of options during any period specified above; and
- (v) other exceptional circumstances arising.

No new options may be granted under the ShareSave Plan after the tenth anniversary of shareholder approval, or earlier if the Directors so decide.

## Amendment provisions

The provisions relating to: (i) the participants; (ii) the limits on the number of shares, cash or other benefits subject to the ShareSave Plan; (iii) the maximum entitlement for any one participant; (iv) the basis for determining a participant's entitlement to, and the terms of, shares, cash or other benefits under the ShareSave Plan or the adjustments of awards in the event of a variation of capital; and (v) the amendment rule cannot be altered to the advantage of participants without prior approval of shareholders in a general meeting. The Directors may make minor amendments to benefit the administration of the ShareSave Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the ShareSave Plan or for the company or any other members of the GlaxoSmithKline group.

Amendments to a key feature of the ShareSave Plan require prior approval of HM Revenue & Customs.

The Directors may also, without shareholder approval, establish further plans based on the ShareSave Plan, but modified to take account of overseas securities laws, exchange controls or tax legislation. Shares made available under such further plans will be treated as counting against any limits on individual or overall participation in the ShareSave Plan.

## ShareReward Plan

Under the ShareReward Plan, shares can be offered to employees based in the UK as free, partnership and matching shares. The ShareReward Plan rules contain all three elements and the Directors have power to decide which, if any, of these elements should be implemented. At present, ShareReward participants are offered partnership and matching shares, and the current intention is that this should continue.

Shares awarded under the ShareReward Plan are held in a trust, on behalf of employees.

### Eligibility

All employees, including Executive Directors, of the company and any subsidiaries designated by the Directors as participating companies are eligible to join the ShareReward Plan, provided that they are UK tax residents and have been employed by the company or a participating company for a qualifying period determined by the Directors, which may not exceed 18 months. Currently no qualifying period is operated. When the ShareReward Plan is operated, all eligible employees must be invited to participate.

### Free shares

Free shares worth up to a maximum set by the legislation (currently £3,000) may be awarded to each eligible employee each year. The shares must generally be offered on similar terms, and the award may be subject to performance targets. "Similar terms" means the terms may only be varied by reference to remuneration, length of service or hours worked.

Free shares must be held in trust for a period of between three and five years at the discretion of the company and will be free of income tax if held in trust for five years. If a participant leaves employment with the GlaxoSmithKline group, his or her shares cease to be subject to the ShareReward Plan. The shares may be forfeited if the participant leaves employment within three years of the award other than by reason of death, retirement, redundancy, injury or disability, or his or her employing company or business being sold out of the GlaxoSmithKline group.

### Partnership shares

Employees may be offered the opportunity to purchase shares using monthly savings contributions from pre-tax salary up to the maximum value set by the legislation (currently £1,500 in each tax year, or 10% of salary if less). Employees can stop saving at any stage. The employees' contributions may be used to buy partnership shares immediately or accumulated for up to 12 months before they are used to buy shares. Where the contributions are accumulated, the price at which the partnership shares are acquired is the lesser of the price at the beginning of the accumulation period and the price at the end.

Partnership shares can be withdrawn from the ShareReward Plan by the participant at any time, but there will be an income tax liability if the shares are withdrawn within five years.

### Matching shares

If an employee buys partnership shares, he or she may be awarded additional shares by the company on a matching basis, up to a current maximum of two matching shares for each partnership share (currently a one for one matching award is offered). Matching shares must be held in trust for a minimum of three years and will be free of income tax if held in trust for five years.

If an employee withdraws partnership shares before the trustees have held them for three years, he or she may forfeit the linked matching shares. If the employee ceases to be employed by the GlaxoSmithKline group within the minimum three year period (or within such shorter period as the Directors may decide) other than for a specified reason such as death, retirement, redundancy, injury or disability, or his or her employing company or business being sold out of the GlaxoSmithKline group, his or her matching shares may be forfeited.

### **Dividends**

The Directors may permit any dividends paid on the free, partnership or matching shares to be reinvested in the purchase of additional shares, which must be held in the ShareReward Plan for a period of three years.

### **Voting rights**

Employees may be offered the opportunity to direct the trustees how to exercise the voting rights attached to the shares held on their behalf. The trustees will not exercise the voting rights unless they receive the participants' instructions.

### **Operation of the ShareReward Plan**

Free shares may only be awarded within 42 days of:

- (i) the day on which the ShareReward Plan was formally approved by HM Revenue & Customs;
- (ii) any announcement of results to the London Stock Exchange;
- (iii) any day on which changes to the legislation or regulations affecting the ShareReward Plan are announced, effected or made;
- (iv) the lifting of any restrictions which prevented the award of free shares during any period specified above; and
- (v) other exceptional circumstances arising.

### **Amendment provisions**

The provisions relating to: (i) the participants; (ii) the limits on the number of shares, cash or other benefits subject to the ShareReward Plan; (iii) the maximum entitlement for any one participant; (iv) the basis for determining a participant's entitlement to, and the terms of, shares, cash or other benefits under the ShareReward Plan or the adjustments of awards in the event of a variation of capital; and (v) the amendment rule cannot be altered to the advantage of participants without prior approval of shareholders in a general meeting. The Directors may make minor amendments to benefit the administration of the ShareReward Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the ShareReward Plan or for the company or any other members of the GlaxoSmithKline group.

Amendments to a key feature of the ShareReward Plan require prior approval of HM Revenue & Customs.

The Directors may also, without shareholder approval, establish further plans based on the ShareReward Plan, but modified to take account of overseas securities laws, exchange controls or tax legislation. Shares made available under such further plans will be treated as counting against any limits on individual or overall participation in the ShareReward Plan.

### **Issued share capital**

All references to the company's "issued share capital" in the Explanatory Notes above are to the company's issued share capital as at 2 March 2012, which was 5,048,749,675 Ordinary Shares, excluding any Ordinary Shares held as Treasury shares. As at 2 March 2012, the company held 508,027,927 Ordinary Shares as Treasury shares, representing 10.06% of the company's issued share capital (excluding Treasury shares) as at that date. As at 2 March 2012, the total number of voting rights in the company was 5,048,749,675.

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

### **Share capital and control**

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

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

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

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

### **Change of control**

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

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

### **Interests in voting rights**

Details of the notifiable interests in the total voting rights in the company's issued share capital are given in the Annual Report 2011.

Information provided to the company pursuant to the Financial Services Authority's Disclosure and Transparency Rules is published on a Regulatory Information Service and on the company's website.

The company has not acquired or disposed of any interests in its own shares, other than in connection with the company's share buy-back programme. Details of the shares purchased, cancelled and held in Treasury are given in the Annual Report 2011.

## **Directors and senior management**

The interests of Directors and senior management and their connected persons in the issued share capital of the company are given in the Annual Report 2011.

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

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

The Articles also require that at every AGM certain of our current Directors retire by rotation and detail the circumstances in which and how they may be re-elected. However, the Board has decided that, as in 2011, all Directors will retire and, if they wish, stand for re-election at the AGM on 3 May 2012 in accordance with the UK Corporate Governance Code. The company's members may remove a Director by passing an ordinary resolution of which special notice has been given or by passing a special resolution. A Director will automatically cease to be a Director if (i) he or she becomes bankrupt or compounds with his or her creditors generally, (ii) he or she is or has been suffering from mental or physical ill health and the Board resolves that his or her office is vacated, (iii) he or she has missed Directors' meetings for a continuous period of six months without permission and the Board resolves that he or she shall cease to be a Director, (iv) he or she is prohibited from being a Director by law, (v) he or she ceases to be a Director by virtue of UK companies legislation or is removed from office pursuant to the company's Articles of Association, (vi) he or she resigns, (vii) he or she offers to resign and the Board accepts that offer, or (viii) his or her resignation is requested by all of the other Directors and all of the other Directors are not fewer than three in number.

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

## Information on how to vote electronically

### Voting using Shareview

If you have a Shareview portfolio, you may register your vote electronically by visiting [www.shareview.co.uk](http://www.shareview.co.uk), logging into your account and following the instructions provided.

### Voting using Sharevote

You may register your vote electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) using the Voting ID, Task ID and Shareholder reference number printed on your enclosed proxy card and following the instructions provided. If you would like to cast your vote electronically you will have to do so by 2.30pm on Tuesday, 1 May 2012.

### Voting using CREST's electronic proxy appointment service

If you hold your shares in uncertificated form in CREST you may use the electronic proxy appointment service operated by CREST to appoint a proxy or proxies and register your vote. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM to be held on Thursday, 3 May 2012 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed a voting service provider or providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual.

The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to an instruction to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent, Equiniti ID RA19 by 2.30pm on Tuesday, 1 May 2012.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider or providers, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.





GlaxoSmithKline

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