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.