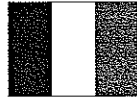




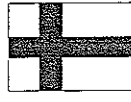
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Belgium



Denmark



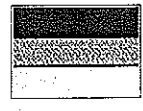
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Czech
Republic



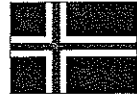
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Germany



Greece



Iceland



Poland



Estonia



Slovenia



Latvia



Lithuania

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GlaxoSmithKline

European

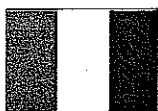


Employee
Consultation
Forum

European Employee Consultation Forum

Constitution

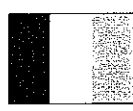
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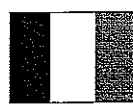
Romania



Bulgaria



Ireland



Italy



Hungary



Netherlands



Norway



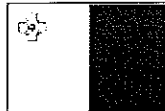
Portugal



Spain



Cyprus



Malta



Slovakia



Sweden



UK

Dated 20 January, 2004

BETWEEN:

GLAXOSMITHKLINE PLC

- AND -

THE EMPLOYEE REPRESENTATIVES

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**GLAXOSMITHKLINE EUROPEAN EMPLOYEE CONSULTATION
FORUM CONSTITUTION**

THIS AGREEMENT is dated 20 January, 2004

BETWEEN:

- (1) **GLAXOSMITHKLINE PLC** on behalf of Glaxo Wellcome plc, SmithKline Beecham plc and their respective subsidiaries within the European Union and European Economic Area (collectively 'the Company')

and

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- (2) **THE 'EMPLOYEE REPRESENTATIVES (Section 3.3) represented by the Operating Sub-Committee (Section 4.1)'** set up in accordance with EEC Directive 94/45/EEC (the 'Directive') and the UK Transnational Information and Consultation Regulations 1999 (the Regulations).

WHEREAS:

- (A) Glaxo Wellcome plc and its subsidiaries within the European Union and European Economic Area, and a special negotiating body set up in accordance with the Directive and the Dutch European Works Councils Act, entered into the Glaxo Wellcome European Communication Forum Constitution agreement on 25th June 1997 ('the GW Agreement').
- (B) The management of the European businesses of SmithKline Beecham plc, and a special negotiating body set up in accordance with the Directive and the Irish Transnational Information and Consultation of Employees Act 1996, entered into the European Employee Forum Agreement on 14th May 1998 ('the SB Agreement').
- (C) Further to the acquisition of Glaxo Wellcome plc and SmithKline Beecham plc by GlaxoSmithKline plc, the parties to the GW Agreement and the SB Agreement agreed to enter into the European Employee Consultation Forum ("the EECF") Agreement on 9th May 2001. This superseded the GW Agreement and the SB Agreement.
- (D) In anticipation of the accession of ten new member states to the European Union on 1st May 2004 and two further new member states before 2008 the Company and the Operating Sub-Committee re-negotiated the EECF Agreement to reflect the need to appoint representatives for these new member states.

This agreement provides with effect from 1st May 2004, for the operation of the European Employee Consultation Forum (the 'Forum') which fulfils the requirements of the Directive and the Regulations in the enlarged European Union.

1. PURPOSE

In keeping with the spirit of the EEC Directive, the purpose of the Forum will be to share information and to provide an opportunity for timely consultation, with elected representatives of the countries covered by this agreement, on the Company's strategy and transnational operations as they affect the interests of employees in at least two countries covered by this agreement. This agreement will also provide the mechanisms for onward communications to all employees represented.

2. SCOPE OF THE AGREEMENT

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- 2.1 This agreement will cover all employees of the Company within those countries which are member states of the European Union and the European Economic Area (hereafter 'Europe'). This will apply whether or not any particular country has in place, also at the date of this agreement, legislation implementing the terms of the Directive.
- 2.2 The Forum, will involve itself with GSK's transnational business issues with significant impact on employees within at least two of the countries covered by this agreement. The business issues it will concern itself with are those set out in section 5.2 and 5.3.
- 2.3 In meeting its obligation to inform and consult the Company will continue to give priority to the provision of timely information and consultation at the in-Country business and unit level in line with national legislation and local practice and to ensure appropriate and direct communication with, and involvement of, those employees directly impacted by significant business issues.
- 2.4 The Forum will therefore be complementary to and not replace national or local systems of information, communication or bargaining, nor will it infringe on matters which are the prerogative of, or which are exclusively dealt with in-Country.
- 2.5 This agreement will not interfere with the legal rights of employees, nor, subject to appropriate consultation, the rights of the Company to take and implement decisions concerning its business in Europe and its obligations to inform and consult its employees at national and local level.
- 2.6 Consultation is defined as the exchange of views and the establishment of dialogue between employee representatives and GSK's designated European management, at a time when the views of Employee Representatives can be taken into account prior to implementation.

3. COMPOSITION OF THE FORUM

- 3.1 The Forum will be a joint body composed of Employee and Management Representatives as specified in this section 3.
- 3.2 Within the Forum, the Company will be represented by Management Representatives from the Company's major businesses in Europe, at least one of whom will be at Vice President/General Manager level. Other members of management may be requested to attend the Forum in order to address issues raised by specific agenda items.
- 3.3 Employee Representatives must be current permanent employees of the Company who have completed at least 12 months service with the Company at the date of their appointment.
- 3.4 Provided that the total number of Employee Representatives does not thereby exceed 33, entitlement to representation at the Forum by Employee Representatives will depend upon the number of employees employed by the Company within the countries concerned, as follows (see Appendix):
- 3.4.1. Countries with up to 1500 employees – the Operating Sub-Committee will agree the grouping with other countries for allocating representation
 - 3.4.2. Countries with 1501 employees, but not more than 3,000 employees - 2 representatives;
 - 3.4.3. Countries with 3,001 employees, but not more than 6,000 employees – 3 representatives;
 - 3.4.4. Countries with 6,001 employees, but not more than 10,000 employees – 4 representatives;
 - 3.4.5. Countries with 10,001 employees, but not more than 15,000 employees – 5 representatives;
 - 3.4.6. Countries with 15,001 employees, but not more than 20,000 – 6 representatives
 - 3.4.7. Countries with more than 20,000 employees, - 7 representatives
- 3.5 In the event that the application of this formula would result in the total number of Employee Representatives exceeding 33, the Operating Sub-Committee will agree the changes necessary to ensure that the overall limitation of 33 Employee Representatives is maintained. No potential Employee Representative, whose appointment to the Forum would cause the total number of Employee Representatives to exceed 33, will be so recognised until such agreement is reached.

- 3.6 A constituency within a single representative country will cover all businesses and employees in that country. For multiple representative countries, constituencies will be defined by management, after appropriate consultation, to reflect the balance of businesses and employee numbers in that country.
- 3.7 Employee Representatives will be elected and re-elected in the following manner:
- 3.7.1 The method of election and re-election of Employee Representatives will be in accordance with national law and local practice. Unless otherwise legally prescribed the method of selection will be by secret ballot of all employees in the constituency concerned. This ballot will be organised by the Company following consultation with appropriate employee representatives.
- 3.7.2 Wherever there is more than one Employee Representative per country, each major business within the country, in order of employee numbers, should be represented before any of those businesses may have more than one representative. For this subsequent representation, regard should be had to maintain a proper balance of interests between the major businesses in that country. **TCI** www.euro-br.eu
- 3.7.3 The major businesses for the purpose of this agreement could be Pharmaceuticals, Consumer Healthcare, Biologicals, Research & Development and Global Manufacturing & Supply.
- 3.8 Employee Representatives will cease automatically to hold that office if:
- 3.8.1 they cease to be employees of the Company;
- 3.8.2 they cease to be employed in the country which they represent; or
- 3.8.3 they cease to be mandated by the body, which elected them in accordance with national law and local practice.
- 3.9 Any person who has acted as an Employee Representative for four years from either election or re-election without their mandate being renewed must stand for re-election as set out in section 3.7.
- 3.10 A substitute will be elected for each Employee Representative in the same way and at the same time as for the Employee Representative and will act as a replacement if, for any reason, the Employee Representative concerned ceases to hold that position. Any replacement substitutes required will be elected in accordance with section 3.7.
- 3.11 The substitute will not be regarded as having any specific 'representative' status (and will not have an entitlement to e.g. appropriate training, automatic receipt of reports/minutes, or similar facilities), nor expected to fulfil an active

role in the cascade of information, other than when temporarily deputising for the Employee Representative concerned at any meeting of the Forum which that Employee Representative cannot attend for ill-health or other reasons and who has notified their local management and the Secretary to the Forum accordingly. Subject to prior management agreement, the Operating Sub-Committee, as set out below in section 4, may also invite the substitute to attend any meeting of the Forum as an observer where this will assist in the effective handover of responsibilities.

3.12 The Chair of the Forum will be appointed by the Company from amongst the regular Management Representatives. The Secretary will be appointed by the Company, after consultation between the Joint Chairs and the Operating Sub-Committee (see section 4), and will be responsible for the Forum administration, including:

3.12.1 Drafting and circulating the agenda in advance of the Forum meetings in accordance with sections 4.6.1 and 7.2;

3.12.2 Drafting summaries of Forum meetings for agreement with the Operating Sub-Committee in accordance with section 11.1;

3.12.3 Drafting non-verbatim minutes of Forum meetings and agreeing them with the Operating Sub-Committee; and

3.12.4 Distributing the agreed non-verbatim minutes, and distributing the summaries in accordance with sections 11.2 and 11.4.

4. OPERATING SUB-COMMITTEE

4.1 A Sub-Committee of the Forum will be formed comprising five Employee and up to five Management Representatives. A quorum for meetings of the Sub-Committee will be at least three Management and three Employee members. Preferably not more than one Employee Representative member of this Operating Sub-Committee should be from any country or major business covered by this agreement.

4.2 The Operating Sub-Committee will be chaired jointly by an Employee Representative and the Chair of the Forum. They will be regarded as the first point of contact and will be expected to consult with their respective Sub-Committee members on all matters.

4.3 The Employee Representative Operating Sub-Committee members, including the Employee Representative who will jointly chair Operating Sub-Committee meetings, will be elected by the Employee Representatives as a whole.

4.4 The Operating Sub-Committee will meet at least four times each year (including meetings held in exceptional circumstances), one of which will be held in conjunction with the Annual meeting of the Forum.

- 4.5 The Employee Representatives to the Operating Sub-Committee shall be able to meet without Management Representatives being present prior to Sub-Committee meetings and at other times during those meetings. Should the Sub-Committee Employee Representatives wish to meet on any other occasion without Management Representatives being present this should be agreed in advance with the Forum Chair.
- 4.6 The Operating Sub-Committee will carry out the following duties:
- 4.6.1 It will agree the topics for the agenda and the format of the information to be provided, the timing, duration and location for meetings of the Forum;
- 4.6.2 It will agree whether an expert is required to attend Employee Representative pre-meetings for the purposes set down in section 10, and, if so, who that expert should be;
- 4.6.3 The Joint Chairs of the Operating Sub-Committee will be the first point of contact in the case of issues of exceptional circumstances referred to in section 5.3, and may call for a meeting of the Operating Sub-Committee to consult with management on the exceptional issues and to decide whether to request a meeting of those Forum representatives of countries directly affected by the exceptional circumstances or the full Forum in accordance with section 8.4 respectively; and
- 4.6.4 The Joint Chairs will co-sign the minutes of the Forum and Operating Sub-Committee Meetings.
- 4.7 All meetings of the Operating Sub-Committee will be conducted in English.

5. SUPPLY OF INFORMATION TO, AND ISSUES FOR CONSULTATION FOR, THE FORUM

- 5.1 The Forum will be provided with information on the business progress and prospects of the Company. This includes information on those transnational issues concerning the Company which substantially affect the interests of employees in at least two countries covered by this agreement.
- 5.2 In particular the Forum will receive information and be consulted upon matters relating to;
- the strategy, structure, economic and financial situation of the business in Europe;
 - the probable development of the business, production and sales in Europe;
 - the situation and probable trend in employment and investments;
 - substantial changes concerning the organisation;
 - the introduction of new working methods or production processes;
 - transfers of production;
 - mergers, cut backs or closures of undertakings, establishments or important parts thereof;

and collective redundancies insofar as they affect the businesses' operations within Europe.

5.3 The Operating Sub-Committee will also be provided with information in accordance with section 8 where there are exceptional circumstances – i.e. where the Company intends to implement decisions, which may significantly and substantially affect the employment interests of employees within at least two countries covered by this agreement. In particular, information will be given in the event of relocation, closure of parts of the Company's business or collective redundancies, which are part of a linked programme, in at least two countries covered by this agreement.

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5.4 The Company will not be obliged to disclose information if that disclosure would plausibly cause serious harm to, or be prejudicial to the functioning of, the Company. If an agenda item is suggested by Employee Representatives which would involve the disclosure of such information, that item will not be placed on the agenda. The Management Representatives on behalf of the Company will state in advance of the relevant meeting the reasons for their refusal to include the item in the agenda.

5.5 The Company may choose to provide information to the Forum and/or the Operating Sub-Committee, which it considers to be of a confidential nature. Whenever this occurs the Company will notify the Forum and or the Operating Sub-Committee and require the information to remain confidential. Such information will not be minuted and may not be reported upon.

6. LOCATION AND FREQUENCY OF MEETINGS

6.1 There will be one scheduled meeting per year of the full Forum ('the Annual Meeting'). This will follow publication of the Company's annual results.

6.2 The Employee Representatives to the Forum are entitled to meet, without Management Representatives being present, prior to Forum meetings, and at other times during those meetings, as agreed by the Operating Sub-Committee. For the purposes of these meetings they may set their own rules of procedure and elect their own officers. Before the rules of procedure are adopted the Management Representatives to the Forum will be given the opportunity to state their view.

6.3 The Operating Sub-Committee will determine the location of and arrangements for all Forum meetings, in accordance with section 4.6.1.

6.4 Additional meetings of the Forum may be held in exceptional circumstances. The procedure for this is set out in section 8.

7. PROCEDURE FOR FORUM MEETINGS

7.1 The agenda will be set in accordance with section 4.6.1.

- 7.2 The final agenda will be issued by the Secretary to the Forum at least 15 working days before the Forum meetings.
- 7.3 The Forum meetings will be conducted in English, and all documentation will be prepared in English. The Company will provide interpreters subject to the individual needs of Employee Representatives. Where necessary documents will be translated into different national languages in a timely manner.

8. ADDITIONAL PROCEDURE FOR MEETINGS IN EXCEPTIONAL CIRCUMSTANCES

- 8.1 Where exceptional circumstances arise as outlined in section 5.3, management will consult with the Joint Chairs of the Operating Sub-Committee
- 8.2 The Joint Chairs may agree to a meeting of the Operating Sub-Committee.
- 8.3 The Joint Chairs may agree to invite Forum representatives of the businesses in the countries directly impacted by the exceptional circumstances to attend a meeting of the Operating Sub-Committee.
- 8.4 The Operating Sub-Committee may request an exceptional meeting of the full Forum or of those Employee Representatives whose constituents are directly affected by the exceptional circumstances if it feels that is what the circumstances warrant.
- 8.5 At a meeting of either the Operating Sub-Committee or the full Forum, the Management Representatives attending the meeting will be appropriate to the agenda items under discussion.
- 8.6 A summary of the content and outcome of Operating Sub-Committee meetings held in exceptional circumstances will be prepared by the Secretary. After its agreement with the Joint Chairs, the summary will be circulated to the members of the Forum.

9. CONFIDENTIALITY

- 9.1 Whilst the Company recognises the value of full and open dialogue and will pursue this approach whenever possible, it is essential that confidentiality must be observed with regard to business and corporate information, which is expressly provided to Employee Representatives and any experts in confidence.
- 9.2 The Employee Representatives and any experts who are consulted must agree to be bound by the provisions outlined in section 9.1.
- 9.3 Where an Employee Representative is in breach of his or her obligations under this section, he or she will be excluded from further participation in the Forum.

10. USE OF EXPERTS

- 10.1 In so far as this is considered necessary for the performance of their duties, Employee Representatives may request the presence of experts to advise them at their pre-meetings.
- 10.2 The role of any expert to be consulted by the Employee Representatives of the Forum or Operating Sub-Committee must be agreed in advance by the Joint Chairs of the Operating Sub-Committee in accordance with section 4.6.2. **TCI** www.euro-br.eu
- 10.3 Where agreed, the Company will meet the fees of an expert and such fees must be agreed by the joint Chairs of the Operating Sub-Committee in advance in accordance with section 12.2.

11. PROVISION OF INFORMATION TO THE WORKFORCE AS A WHOLE

- 11.1 The Secretary will prepare a summary giving the key points of the content and outcome of Forum Meetings, which will be agreed with the Operating Sub-Committee before the end of the meeting concerned.
- 11.2 When the summary has been agreed, the Secretary will distribute it to the Employee Representatives and to a member of senior management in each business in each country covered by this agreement, for dissemination to employees via the established in Country communication channels. The Employee Representatives and local management will consult on the appropriate process of dissemination.
- 11.3 In the event of difficulties arising, the matter will be referred, initially, to the Secretary and, if necessary, to the Chair, of the Forum for resolution.
- 11.4 The non-verbatim minutes of the Forum meetings will be distributed, as outlined in section 11.2, within 15 working days, so far as this is possible given the requirement for Operating Sub-Committee approval in accordance with section 3.12.3.

12. FACILITIES PROVIDED TO THE FORUM

- 12.1 The Company will allow Employee Representatives, jointly or individually, reasonable time off during normal working hours, and will provide such facilities as are reasonably required, to enable the Forum and the Operating Sub-Committee to carry out their tasks. Expenses of education and training which are reasonably required to enable the Employee Representatives to carry out their duties will be borne by the Company if the purpose and content of the education and training is notified to, and agreed in advance by, the Chairman of the Forum.

12.2 The operating expenses of the Forum will be borne centrally by the Company. The costs of the individual Employee Representatives in attending meetings, such as the costs of travel and subsistence, will be paid by the Company in the country in which the particular Employee Representative is based. Other expenses associated with holding Forum meetings will be met by the Company centrally. The Company will only be responsible for fees, including experts' fees, incurred by the Forum or the Operating Sub-Committee if they are notified to, and agreed in advance by, the Chairman of the Forum.

13. EMPLOYMENT PROTECTION TCI www.euro-br.eu

13.1 Employee Representatives to the Forum will be entitled to the employment protection as laid down by the national law of the country in which they are based. They will similarly be subject to the same standards of conduct as other employee representatives in their country of employment.

13.2 Statements made or actions taken by Employee Representatives in the course of carrying out their legitimate duties as Employee Representatives in accordance with this agreement will not in any way affect their employment position with the Company.

14. CHANGES IN EMPLOYEE NUMBERS OR COMPANY STRUCTURE

14.1 Subject to the limitation on the total number of Employee Representatives specified in sections 3.4 and 3.5., if there is a change in employee numbers within a particular country, so that the number of Company employees in that country no longer corresponds to the number of Employee Representatives allocated to it under section 3.4, the following will apply:

14.1.1 If a single representative country becomes entitled to additional Employee Representatives, he/she will be appointed in the first instance from the substitute Employee Representative for that country. If there are insufficient substitutes to fill the available vacancies, additional Employee Representatives will be selected according to national law and local practice.

14.1.2 Where a multi-representative country's headcount passes a trigger point set out in section 3.4 the additional employee Representative/s will be elected according to national law and local practice.

14.1.3 If a country's workforce is reduced so that it has too many Employee Representatives the number will be reduced by agreement between the Employee Representatives for that country.

14.2 In all cases set out above, the Operating Sub-Committee will consult, to determine whether any change is appropriate and, if so, the timing of such change to the country's representative numbers. They will consider such matters as the further duration of the agreement in coming to a conclusion on this matter. Until the appropriate adjustments take place, the Employee

Representative(s) from the country concerned will represent the changed workforce composition.

- 14.3 If an undertaking becomes part of the Company during the period of this agreement, and as a result additional employees become employed by the Company, these employees will be represented by existing Employee Representatives for that country. If the increase in employee numbers means that a country or countries become entitled to additional Employee Representatives, they will be appointed in accordance with section 14.1.
- 14.4 If the Company enters into a merger of equals with another organisation, then this Agreement will continue in force until it is superseded by another agreement or agreements which provide for the establishment of a European Works Council to inform and consult with the employees in the countries covered by this agreement.

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15. DURATION AND RE-NEGOTIATION OF THE AGREEMENT

- 15.1 Initially, the agreement will remain in place for four years. Should it become necessary to make modifications during the currency of the agreement, the Forum may make such modifications by mutual agreement. The Secretary will re-issue this agreement with the appropriate amendments, which will become effective from the date of re-issue.
- 15.2 A thorough review of these provisions will take place at the meeting of the Forum held just prior to the expiry of the agreement.
- 15.3 At the end of the four year period, the agreement will automatically continue for a further four years unless either a majority of Employee Representatives to the Forum or the Management Representatives give notice of their intention to terminate the agreement and seek re-negotiation. This notice must be given at least six months before the agreement is due to come to an end. The notice must identify the area the party in question wishes to re negotiate.
- 15.4 Any re-negotiation of this agreement will be between the Employee Representatives or their nominees from within the Forum and the Management Representatives to the Forum. The agreement will continue pending the outcome of the re-negotiations.

16. LANGUAGE/OFFICIAL VERSION OF AGREEMENT

The official versions of this agreement and of all documents relating to the operation of the Forum for the purposes of interpretation or definition will be the English-language versions.

17. RESOLUTION OF ISSUES

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- 17.1 In the event of a disagreement of a transnational nature arising on the interpretation or operation of this agreement, the Operating Sub-committee will be responsible for discussing and resolving it.
- 17.2 As a last resort, following mutually agreed conciliation the matter will be dealt with in accordance with relevant UK legislation.

18. JURISDICTION

This Agreement shall be governed by and interpreted in accordance with the Laws of England.

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**Appendix to GSK "EECF" Constitution
Entitlement to Representation – by Country (3.4 refers)**

Country	Businesses	* Approx. No. of Employees	Representation			
			Current	From May 2004	From 2007	
Iceland	P, R	9	1	}		
Finland	P, R, C	172	1		1	1
Norway	P, R, C	158	1			
Estonia	P, R, C	63	-	}		
Latvia	P, C	52	-		1	1
Lithuania	P, R, C	105	-			
Czech Rep.	P, R, C	201	-	1	1	
Slovakia	P, C	126	-			
Hungary	P, B, R, C	346	-	1	1	
Slovenia	P, C	64	-			
Sweden	P, R, C	255	1	1	1	
Denmark	P, C	213	1			
Austria (inc. Switz.)	P, R, C	207	1	1	1	
Netherlands	P, R, C	452	1	1	1	
Greece	P, R, C	554	1	1	}	
Bulgaria	P, C	94	-	-		
Ireland	P, M, C, R	1414	1	1	1	
Poland	P, M, C, R	1801	-	2	2	
Portugal	P, R, C	377	1	1	}	
Spain	P, M, R, C	2223	2	2		2
Italy	P, M, R, C	3399	3	3	3	
Germany	P, M, R, C, B	3458	3	3	3	
Belgium (inc. Lux.)	P, B, M, C, R	4395	3	3	3	
France	P, M, R, C, B	5053	3	3	3	
Cyprus	P	21	-	}	}	
Malta	P	5	-			7
UK	P, M, R, C, Corp	21497	7			
Romania	P, M	2000	-	-	2	
TOTALS		48714	31	33	33	
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<i>* These figures will approximate to the average number of employees during recent years</i>						
Key to Businesses						
P = Pharmaceuticals						
R = Research & Development						
M = Global Manufacturing & Supply						
C = Consumer Healthcare						
B = Biologicals						
Corp = Corporate						

Signed by:

Employee Representatives (members of the Operating Sub-Committee)

John Clough
UK

David Maude
UK

Hans-Ulrich Toelch
Germany

Chris Smith
UK

Denis Suire
France

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Management Representatives

Claire Thomas
Senior Vice-President, HR, Pharmaceuticals, Europe

Gordon Dawes
Vice-President, HR, Drug Discovery, Pharmaceuticals, Research & Development

Fabrice Enderlin
Vice-President and Director, HR, Biologicals

Jan Fenton
Vice-President, Corporate HR Operations, Corporate

Ian Mintram
Vice-President, HR, Consumer Healthcare, Europe

Colin Peters
Vice-President, HR, Primary Supply, Global Manufacturing & Supply