

Proposed pension changes and how the Company plans to move forward



17 December 2020

Dear Colleague,

I have an important update to share with you following the end of consultation on 13 December. I would like to start by thanking everyone for their engagement and transparency throughout the last three months. It's been a very challenging year – both inside and outside GSK – and I want to reassure you we've listened and really do understand the strength of feeling around the proposed changes and how difficult this conversation has been.

We've been discussing counter proposals with the UK Information & Consultation Forum employee representatives. Subsequently we have concluded how we plan to move forward. We recognise that a lot of time and thought went into all the feedback we received – including over 500 counter proposals – and we've carefully considered every piece of feedback from employees and the I&C Forum in coming to a decision.

Some key themes emerged across the feedback. The major theme is around timing, but we also received suggestions that we consider changes to the ongoing pension arrangements, some form of one-off payment to impacted colleagues or a combination of all these ideas.

To help make sure that GSK is a sustainable business for the long-term and to ensure we can offer competitive and equitable benefit schemes for every employee across our UK workforce, the Company has decided to go ahead with the proposal – but with a number of important changes in response to the feedback.

- Firstly, we're deferring the closure of the Defined Benefit pension arrangements by one year to 31 March 2022 to give everyone more time to plan and prepare. Benefits will continue to accrue as normal up until this date
- We're committed to retaining the existing terms for colleagues retiring early from GSK employment on or after age 60 for a minimum of three years post-closure
- We will give every member of the GSK top-up arrangements at the time of closure a £10,000 taxable lump sum

We're also increasing the number of one-to-one financial guidance sessions from two to four and will provide an aggregate of up to three transfer value quotations across 2021 and 2022 free of charge, if requested. You will receive a letter in mid-January which will set out the changes in detail and the support available to you – including how you can book your one-to-one financial guidance sessions with financial advisers.

As we move into the next stage, I would also like to thank the I&C Forum employee representatives for their engagement and the tremendous support they've provided to everyone, especially impacted employees.

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I wish you a safe and healthy holiday season.

With best regards

Allen

Allen Powley
SVP Reward

- For health and wellbeing support and resources, please click [here](#)
- Please continue to contact Wealth at Work with any questions about the changes up until 24 December and again from 4 January:
 - Call 0800 954 0759 (9am-7pm Monday-Thursday, 9am-5pm on Friday, 10am-1pm on Saturday)
 - Email gsk@wealthatwork.co.uk

Important legal note:

This email is only about the changes to your pension arrangements on which we have recently concluded consultation. It does not guarantee any benefits. Entitlement to any benefit under any GSK pension arrangement arises only in accordance with and subject to the Rules of the arrangement, which are subject to change from time to time. GSK reserves the right to amend or withdraw any of its pension arrangements at any time and for any reason.