



do more
feel better
live longer

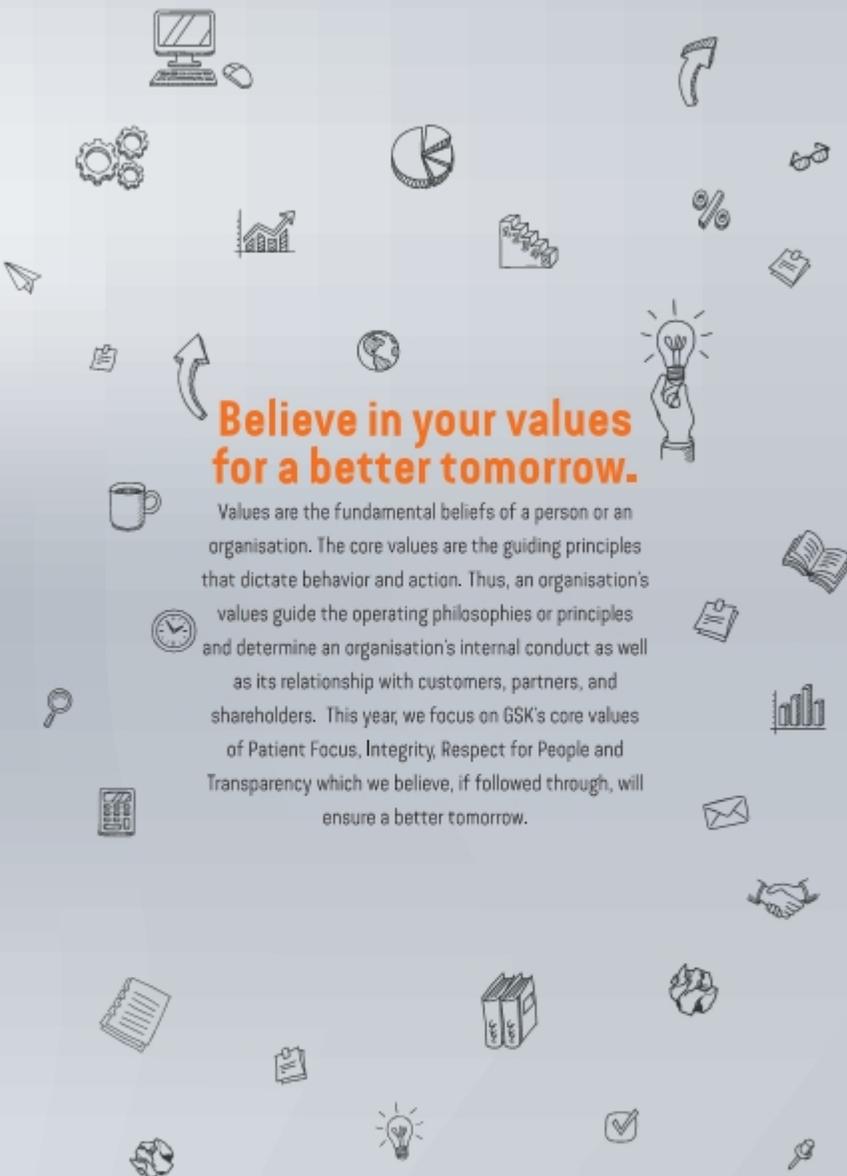
Believe in
your values
for a better
tomorrow



our values



GlaxoSmithKline Bangladesh Limited
House 2A, Road 138, Gulshan 1, Dhaka 1212
www.gsk.com.bd



Believe in your values for a better tomorrow.

Values are the fundamental beliefs of a person or an organisation. The core values are the guiding principles that dictate behavior and action. Thus, an organisation's values guide the operating philosophies or principles and determine an organisation's internal conduct as well as its relationship with customers, partners, and shareholders. This year, we focus on GSK's core values of Patient Focus, Integrity, Respect for People and Transparency which we believe, if followed through, will ensure a better tomorrow.



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NOTE:
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THE SPIRIT

MISSION

Improve the quality of human life by enabling people to do more, feel better and live longer

VALUES

Respect for people
Patient focus
Transparency
Integrity

STRATEGIES

Grow a diversified global company
Deliver more products of value
Simplify the operating model
Individual empowerment and Build trust

MISSION BEHAVIOURS

Flexible thinking
Continuous improvement
Consumer driver
Developing people
Enable and drive change and Building relationship

Believe in your values for a better tomorrow



QUALITY

Quality is at the heart of all activities that support the discovery, supply and marketing of products to our patients and customers. Quality is critical to building trust with society and therefore, to our future business success.

ANDREW WITTY

Chief Executive Officer
GSK plc



E.H.S.S

Environment, Health,
Safety and Sustainability...

A matter of policy

- Safeguard people and enhance their wellbeing
- Protect our communities and the environment
- Lead in what we do
- Make continuous improvement
- Integrate sustainability into our business
- Be transparent with everyone

ANDREW WITTY

Chief Executive Officer
GSK plc





LIVING OUR VALUES



At GSK, we believe that operating in a responsible and ethical manner is essential to our business. This belief in Values-Based Decision Making underlies everything we do, and supports the delivery of our business strategy. We are committed to earning the trust of our stakeholders, both internal and external, by delivering on our promises as employees and as a company. In doing so, we foster an environment where people feel safe to speak up and identify areas for improvement, as well as issues of concern. Trust is the key to our good reputation, and crucial to our company's success.

Our values provide the management tone for the whole organization. They describe the spirit in which we operate and provide a reference point when we encounter difficult situations. The

consistent demonstration and communication of values by leaders at all levels is essential in making our controls effective. We all have individual responsibility to live the values in everything we do, every day, for GSK.

Our values reflect our belief that it is not just what we achieve that counts, it is also how we achieve it.

- Be patient/customer focused
- Act with integrity
- Demonstrate respect for people
- Operate with transparency

All the GSK Bangladesh employees follow Speak up Culture to ask questions and Speak up. Every employee is guided to hold themselves and each other accountable for abiding by our Code of Conduct. Furthermore,

employees are empowered, and required to promptly raise concerns of possible misconduct, potential conflicts, or known breaches of this Code and Company expectations. Suspected violations of country laws and regulations in Bangladesh must also be reported. This includes the potential misconduct of employees, complementary workers, consultants, vendors, and partners with whom we jointly do business (including co-promote entities).

Our Speak Up culture and procedures encourage everyone to raise concerns about potential unethical or illegal conduct, and assure confidentiality and protection from retaliation, retribution, or any form of harassment to those reporting such concerns.

Leadership Commitment

"There is no higher priority for me, as CEO of GSK, than the values-based conduct of our employees and our Company. I want to lead a business where every single employee feels proud of their achievements. Because they work hard, they achieve the unimaginable, and they do it the right way. In the last few years, we have focussed on bringing to life our values of transparency, respect for people, integrity and patient focus and being thoughtful about what they really mean at a human level. I know that you share my desire to work for and build a business that has spirit, a heart; a business that is guided by more than just money. At GSK, we want to ensure that everything we do is guided by our commitment to our values and our commitment to being in compliance with the regulations within which we have to operate. The foundations of these commitments are laid out in our Code of Conduct and each employee must take personal responsibility for abiding by our Code. Building a successful business means we do not compromise our values. We should always do the right thing for patients and consumers, regulators and society as a whole. I firmly believe that, working together, we can achieve what we want to achieve, doing it the right way."

Andrew Witty
Chief Executive Officer

THE GSK ANTI-BRIBERY AND CORRUPTION (ABAC) PROGRAMME



Bribery and corruption are illegal no matter where in the world you work.



Know

- Do not offer or accept bribes
- Understand our policies and the corruption risks you face



Prevent

- Be vigilant and assess risks
- Keep up to date with training for you and your team



Report

- Properly document any risks
- Speak up if you identify a risk or any wrongdoing

"There is no greater priority for GSK than the ethical conduct of our people. We exist to improve patient's lives. Everything we do must be in the best interests of the patient. No matter where we operate in the world, in our interactions with patients, prescribers, payers and governments, we must live our values of respect for people, transparency and integrity" Andrew Witty

Nowhere is our commitment to ethical conduct more evident than in the area of corruption prevention and detection. At GSK, our attitude towards corruption in all its forms is simple: it is one of zero tolerance. I know that we operate in challenging commercial environments and in cultures where corruption can be widespread. This can never be an excuse. It is vital that our people and those who work on our behalf understand their responsibilities and operate to the highest ethical standards.

GSK Anti-Bribery and Corruption Standards:

1. GSK has a Anti-Bribery and Corruption Policy which covers GSK's general principles and standards on anti-bribery and corruption (ABAC) and maintenance of business documentation and financial records. It reinforces our zero tolerance towards all forms of corruption and our commitment to maintaining accurate records of our business dealings.
2. GSK Bangladesh operates on our corporate values and our four ABAC Foundational Principles: legitimacy of intent, no undue influence or conflict of interest, transparency and proportionality.
3. We prohibit the giving, offering, accepting or requesting of improper payments. Improper payments are anything of value transferred directly to an individual, or on someone's behalf, with the purpose of influencing or inducing an act to secure an improper business advantage, or to improperly obtain or retain business. This applies to everyone we deal with, regardless of their affiliation with a government organization or a private company.
4. It is unlawful even to offer a bribe, even if the offer is not accepted or no benefit is gained. It is critical that bribery and corruption risks are assessed on an ongoing basis within each business area, that mitigation plans are appropriately established, and that the appropriate systems of internal controls are in place.
5. Payment covers anything of value, so not just cash but also gifts, services, job offers, loans, travel and expenses and entertainment. The bottom line is that we must not offer anything to improperly influence any person, regardless of whether they are in the private or public sector, or government officials.
6. GSK Bangladesh prohibits all facilitation payments. These are payments or gifts offered to secure or speed up (rather than influence) a routine government decision that should take place anyway e.g., payments to customs officials to release imports or expedite official procedures.
7. All our financial records must accurately reflect the substance of transactions, regardless of their size. No transaction can be authorized or funded unless the substance of the transaction is accurately recorded and disclosed in our books and records.
8. We have to perform sufficient risk-based due diligence prior to the engagement of any third party and ensure appropriate contractual clauses and oversight controls are put in place as described in ABAC Third Party and Business Development frameworks.
9. Our interactions with Government Officials are in full compliance with laws, regulations and codes of conduct applicable to Government Officials to protect GSK's reputation.
10. GSK has zero tolerance towards bribery and corruption.
11. GSK employees shall not make, offer to make, or authorise payment to a third party (e.g., sales agent, distributor or intermediary) with knowledge that all or part of the payment will be offered or given to any individual to secure an improper advantage, obtain or retain business.



ABAC for GSK's Third Parties Due Diligence

GSK has a Code of Conduct setting out the standards of ethics of the corporation, and specifically an Anti-Corruption Policy that applies worldwide to all GSK employees, our subsidiaries and affiliates, and third parties acting for or on behalf of GSK. In many of its elements, our policy is stricter than some of the legislations of countries where we operate. GSK's Anti-Bribery and Corruption Programme (ABAC) has been designed to incorporate a robust set of internal controls of GSK's operations around the world, and includes not only the GSK Anti-Corruption Policy, but also a set of rules of conduct for the Company and its employees in our interactions with Healthcare Providers and Government Officials, third parties in general and our business development transactions. The purpose of the Third Parties Due Diligence framework is designed: To ensure compliance with GSK-POL-007 - Preventing Corrupt Practices and Maintaining Standards of Documentation (the "GSK Anti-Corruption Policy").

At GSK Bangladesh, ABAC due diligence process is embedded within the existing processes for engagement of third parties. It is critical that the ABAC due diligence set out in the Framework is applied consistently to third parties working for or on behalf of GSK (including resolution of red flags) to ensure a standard implementation of and compliance with the GSK Anti-Corruption Policy and other applicable internal policies and controls. The level of due diligence required for a third party depends on whether it is considered a High Risk Third Party.

If a third party does not fit the criteria indicated above, it is categorised as a Non-High Risk Third Party. Non-High Risk Third Parties are subject to minimum due diligence as mandated in the Third Party Framework and this Guidance.

GENERAL INFORMATION



A view of manufacturing site of GSK Bangladesh in Chittagong

Board of Directors

Rodrigo Becker
 M. Azizul Huq (Resigned on 24/11/2015)
 Md. Fayekuzzaman (Resigned on 17/12/2015)
 Zinnia Tanzina Huq
 Venkatramani Gopalakrishnan
 Masud Khan
 Rajib Barua
 Md. Mesbahul Hoque (Appointed on 21/10/2015)
 Erum Shakir Rahim (Appointed on 24/11/2015)
 Md. Iftikhar-uz-zaman (Appointed on 01/02/2016)

Company Secretary

Zinnia Tanzina Huq

Registered Office & Factory

Fouzderhat Industrial Area
 North Kattali
 Chittagong
 Bangladesh

Corporate Office

House 2A, Road 138
 Gulshan 1, Dhaka 1212, Bangladesh

Audit Committee Members

Masud Khan
 Erum Shakir Rahim
 Md. Iftikhar-uz-zaman

Bankers

Standard Chartered Bank
 The Hongkong and Shanghai Banking Corporation (HSBC)
 Citibank NA
 Agrani Bank
 Sonali Bank

Statutory Auditors

Chartered Accountants:
 ACNABIN Chartered Accountants
 Compliance Governance Auditor:
 MABS & J Partners

Legal Advisors

Barrister Abdullah Al Mamun
 Advocate S C Lala



GLIMPSES FROM THE 42nd ANNUAL GENERAL MEETING



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of GlaxoSmithKline Bangladesh Limited will be held on Thursday, the 21st April, 2016 at 11:00 A.M. for the following purposes:

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31st December 2015 and the Auditors' Report thereon.
2. To declare a dividend for the year ended 31st December, 2015.
3. To elect Directors of the Company in the vacancies caused under Article 85 and 89 of the Articles of Association.
4. To confirm the appointment of the new Managing Director as per Section 109 of the Companies Act, 1994.
5. To appoint Auditors for the year 2016 and to fix their remuneration.

By order of the Board



Zinnia Tanzina huq
Director & Company Secretary

Dhaka, 24th February, 2016

Notes:

1. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend in his/her stead. The Proxy Form must be affixed with requisite revenue stamp and deposited at the Company's Registered Office not less than 48 hours before the time appointed for holding the meeting.
2. The Record date is fixed on 16th March, 2016 for closing of share transfer book. Members whose name will appear in the Members' Register on that date will be eligible to attend and vote in the AGM and to receive the dividend as approved in the AGM.



STATEMENT OF CHAIRMAN

Rodrigo Becker, Chairman



On behalf of the Board, I am delighted to welcome you all to the 43rd Annual General Meeting of GlaxoSmithKline (GSK) Bangladesh Ltd. and present to you the Annual Report of the Company for the year 2015. This year has shown good alignment to the Company's strategy of:

- **Building a diversified business**
- **Delivering more products of value**
- **Simplifying the operating model**
- **Create a culture of individual empowerment**
- **Build trust**

Despite the difficult operating environment in 2015, the Company has maintained its direction in strengthening a diversified business through Pharmaceuticals, Vaccines and Consumer Healthcare in Bangladesh. Relevant products have been added to our product portfolio so that consumers and patients can derive more value. Internal controls have been revisited to ensure that the core and support functions are upholding a robust control environment while bringing in simplifications within our operating model. We remain committed in our ways of

working to demonstrate the GSK Values.

In 2015, the consumer healthcare business has managed to retain its leadership position. However, growth against previous year has been severely impacted by a challenging external environment. The Company is addressing these issues through an integrated action plan across legal, regulatory and commercial arenas. Full impact of these plans will only realise in 2016. The pharmaceuticals business, despite facing internal supply restraints and increased regulatory challenge, managed to achieve a modest growth.

Returns to shareholders remain a key priority for the Board and management team and despite the challenging trading environment in 2015, a focus on cost and financial efficiencies has allowed the Board to recommend a final cash dividend of Tk. 55 per share for 2015. This represents a 30% increase over last year.

Risk Management & Governance

The Board aims to assure the integrity of GSK Bangladesh's business opera-

tions through rigorous processes and systems and during the year, risk management was a key part of Board and management discussions. The internal control framework has been further strengthened through various levels of management monitoring which was overseen by the Board.

At our Global Manufacturing & Supply (GMS) Site in Chittagong, facility upgrade projects have taken a momentum. Along with the implementation of GSK Production System, which started in 2014, the upgradation projects continue to reform and simplify GMS Chittagong's supply chain to ensure more efficient delivery of GSK's products to patients and consumers. In 2015, Capability Building was one of the key priorities for Chittagong Site for ensuring Safety, Product Quality and also to meet the compliance at every stage of the operation to face the regulatory challenges.

Furthermore, 2015 saw the roll out of the new Healthcare Professional (HCP) Engagement model. In order to be successful in this new way of working, resource building has been completed

and effective plans have been implemented for capability building of the medics, standardizing ways of working, and partnering across the organisation. A very positive written feedback has been received from the HCPs of the country through which they ranked it as an excellent endeavour and agreed that it would immensely help them in their day to day practice and called for the continuation of similar programmes in future. Once again, GSK has elevated its world class medical governance keeping consumer and patient safety in the heart of all activities, excellence in pharmacovigilance and safety reporting processes.

GSK remains to be a preferred employer for aspiring professionals in the country. As part of our strategic priorities, we ensure the individual empowerment of our employees and encourage strength through diversity. A state of the art people management system named "Workday" has been rolled out that will enable employees to manage information and receive HR services anytime and anywhere. Human Resource function in your organisation is seen as a successful business partner in enabling business transformation through people. Like any other year employee and industrial relations were healthy in 2015.

It gives me immense pleasure to share that this year your Company's Annual Report 2014 won the first prize from the prestigious The Institute of Chartered Accountants of Bangladesh (ICAB) under the Best Presented Annual Reports 2014 in the manufacturing sector. South Asian Federation of Accountants - an apex body of SAARC also awarded your Company for the same report.

Board Changes and Composition

This year, there has been a number of changes to the Board, in terms of both composition and size of the Board. In alignment with the Security Exchange Commission Regulations requirement, we have enhanced our Board to include another non executive, independent director. Mr. Md. Mesbahul Hoque, joined the Board in October 2015 as a non-executive, independent director. Mr Hoque has brought with him a wealth of experience in the corporate sector and helped strengthen the Board of GSK Bangladesh Ltd. As a result, the current Board of Directors of the Company consists of 8 Directors, including 3 Non Executive Directors. Mr. M. Azizul Huq, Managing Director for 17 years, is appointed as Vice President and General Manager of GSK Pharmaceuticals, Pakistan. As a result he has resigned from the services of the Company and also offered his resignation from the Board as Managing Director. The Board deeply appreciated the valuable services of Mr. M. Azizul Huq during his tenure of association with the Company and wished him prosperity for his next assignment. In his place, Ms. Erum Shakir Rahim, currently General Manager of GSK Pharmaceuticals, Malaysia, has been appointed as Managing Director of the Company with effect from 1st January, 2016. Her resume is provided under the Director's profile.

Towards the end of the year Mr. Md. Fayekuzzaman has also resigned from the Board due to his completion of tenure with the Investment Corporation of Bangladesh (ICB).

In his place, the Board has endorsed the appointment of the new Managing Director of ICB, Mr. Md. Ifrikhar-uz-zaman. His resume is provided in the director's profile segment (page-53).

Commitment to our Values

We are committed to upholding the highest Standard of Ethics while carrying out our business activities and ensuring that consumer and patient safety is always a priority in our decision making. Every employee of the Company embeds the GSK values of Integrity, Respect for People, Patient/- Consumer Focus and Transparency into their everyday work life. We are confident that GSK Bangladesh will continue to deliver increased value to the Bangladesh market and offer sustainable returns to the shareholders.

I conclude by expressing my thanks to all employees of GSK Bangladesh for the hard work they have put in during the last year. I am confident that the team will continue to drive the business forward. On behalf of the Board, I would like to express my sincere appreciation to you all, our valued Business Partners, the Healthcare Professionals and Institutes, Suppliers and Government Authorities for their trust and continued support to the Company. I wish the company continued success in the future.



Rodrigo Becker
Chairman

REPORT OF DIRECTORS TO THE SHAREHOLDERS

Erum Shakir Rahim
Managing Director



The Board of Directors of GlaxoSmithKline Bangladesh Limited has the pleasure in submitting the annual report together with the Company's audited financial statements for the year ended 31 December, 2015.

The year 2015 was a challenging year for the Company with increased regulatory complexities and enhanced market competitiveness. Throughout the year the Company continued to focus on its key strategies in both the consumer healthcare and the pharmaceutical business segments to ensure consistency in the delivery to its shareholder value. This report highlights the key business activities that drove the performance of the Company and presents the necessary disclosure in relation to good corporate governance.

1. Industry Outlook and Possible Future Developments

Pharmaceuticals

Riding on increasing demand for both newer generation and lifestyle medicines, the local Pharmaceuticals market in Bangladesh crossed Tk. 130,000mn in 2015. From a moderate pace in growth over last 3 years, the market showed a comeback posting an impressive 15% growth. This was supported by an improving business environment in the backdrop of reinstating political stability since start of Q2. The impact became particularly visible during the later part of the year, where during the Q4 in isolation the market grew 32% over the same period last year.

While Anti-ulcerants remain the biggest revenue generating therapy area in Bangladesh, the recent market growth

has mostly been driven by significant growths in use of insulin, modern oral anti-diabetics & cardiovascular drugs. On the other hand, most of the antibiotics, which used to be market drivers earlier, saw a decline in growth rates. This indicates the direction in which the marketing is travelling - from an infectious disease dominant to a lifestyle disease emergent one - both in terms of prevalence & medicine consumption behaviour.

Consumer Healthcare

2015 continued to see sluggish consumer sentiment. However, Fast Moving Consumer Goods (FMCG) market, valued at Tk. 253bn grew by 12.8% (Source: Nielsen). This was mainly driven by volume growths, as majority of the companies took price corrections. Major contributions came from Non-food Categories (38% of FMCG) which grew in volume by 10%, while Foods category (44% of FMCG) grew by only 10.1%. Health Food Drinks (HFD) valued at Tk. 3.5bn showed a growth of 8% in value, and 3% volume in 2015.

2. Business Performance

Pharmaceuticals

The local business of pharmaceuticals & vaccines grew by over 4%. This translates to creating access of close to 31 million packs of our products to patients across the nation. Despite increased barriers on import of a few high equity GSK brands, growth was driven almost equally by all zones indicating robustness of processes and good field engagement. There has been a continued effort in building the capabilities of our sales and marketing teams to make the organization fit for industry leading new ways of working,

where the business is conducted ethically with Patient Focus at the heart.

Dermatology business has been your company's strength and contributes 30% to the total business. 2015 saw continued strengthening of our position for major brands with portfolio growing at 7%. The flagship brand Betnovate™ grew over 17%. With the recent introduction of Specialty Dermatology portfolio from Stiefel™ we now offer a comprehensive range which not only treat skin conditions but also protect & maintain good skin health of the aspiring patient class. DUAC®, which offers a unique combination to manage ACNE, and PHYSIOGEL, a moisturiser with lipids which resemble DERMA MEMBRANE STRUCTURE technology, are best in class products and hold great promise for the future.

Respiratory business which happens to be our second strong pillar also managed to post positive growth at 4%, despite import restrictions on the biggest brand SERETIDE™. This reflects the commercial team's abilities around robust planning and execution of strategies and a winning attitude.

In Respiratory therapy area, it is seen across the Globe that Asthma Patients tend to lead a compromised life with sub-optimal control of their disease condition. GSK strives to promote guidelines set by global experts that aim to improve patient adherence to treatment and providing total control. Flagship brands SERETIDE™ and VENTOLIN™ continued to help improve the life of asthma patients.

AVAMYS™, yet another emerging global

asset in Respiratory business and a best in class treatment for Allergic Rhinitis continued to see greater acceptance and clocked an impressive 18% growth.

While a couple of established products from the Classic Brands portfolio did not grow being in a matured life cycle, the oral steroids range viz Betnelan & Prednelan grew at 6% and supported overall performance.

In 2015, the Vaccine business grew by 8%, with significant contributions from the brands Cervarix™, Engerix™ and Synflorix™. Towards end of the year, GSK has entered into the global 3-part transaction with Novartis in Bangladesh, whereby the Vaccine portfolio has been acquired from Novartis and the Oncology business of GSK has been divested. This will ensure GSK to consolidate and focus further on the Vaccine segment going forward. Furthermore, at an above country level, GSK was selected for supplying Pneumococcal Vaccines to GAVI (Global Alliance for Vaccination and Immunisation), which will be used by the Bangladesh EPI (Expanded Program of Immunisation). This means, every new born in Bangladesh will now receive a vaccine that comes from your trusted name in Pharmaceuticals - GSK. This is a milestone in maximising access to GSK products for the people of Bangladesh, which you will feel proud about.

Consumer Healthcare

The Consumer Healthcare business of the Company declined by 11.4%, primarily on back of low consumer sentiment and parallel imports. We have engaged with authorities and taken legal steps to stem the flow of parallel imports. The trade incentives are also being given in the market to counter the parallel imports. We have also initiated sampling with school children and a rural campaign to educate children on food and nutrition. On the lead product, we have also started offering extra grammage ~ 22% at the same price. We believe these will strengthen the brand loyalty among customers. We still maintain a dominant Market Share of 89% in the Health Food Drink Category.

Horlicks™ continued to be in the list of top Brands in Bangladesh across all Categories. Horlicks was the 3rd most loved brand and No.1 Brand in Health Food Drink category. Held under the auspices of Bangladesh Brand Forum this award is recognition of the brand's consistent delivery of its 'Promise of Nutrition' to the consumers.

Sensodyne™ continued to grow and expand its reach.

Your Company is humbly proud to be driving the initiative of providing access to good nutrition to the people of the country.

3. Manufacturing

Over the last four decades, the GMS Chittagong site has been continuing the journey of achieving manufacturing excellence by embedding new ways of working, bringing new technology in the operation and enhancing capability. During 2015, Chittagong site has delivered the commercial expectation of delivering the products by maintaining Safety and Quality expectations. During the year a no of facility upgrade projects has been completed – site replaced both the emergency and main generators, significant facility upgrade by adding GMP doors at site has been completed and next phase of upgrade projects is progressing as per plan.

The journey of GPS i.e., GSK Production System started in 2014 at Chittagong site and continues its momentum in 2015. The GPS is a set of standard ways of working to identify and eliminate the root cause of Accidents, Defects and Waste and thereby delivering Zero Accident, Zero Defects and Zero Waste. Six basic standards of GPS has already been initiated at site which resulted in Zero Accident status for site in 2015, Overall Equipment Efficiency (OEE) of our packaging lines is in increasing trend.

Capability Building was one of the key priorities in 2015 for Chittagong Site for ensuring Safety, Product Quality and also to meet the compliance at every stage of the operation to face the regulatory challenges. A number of internal and external capability building programs were conducted at site. Two modules namely License to Operate and GSK Production System (GPS) has been implemented for all employees under the My Supply Chain Academy. Site Leaders had been trained on face to face training of Leading Delivery, Leading EHS and First Line Leaders Experience (FLLLE).

A dedicated team has been working under Remediation to embed and sustain the Quality systems and processes, developing Subject Matter Expert (SME) to enhance knowledge and understanding and maintaining QMS compliances at site. Two Joint Planning Sessions (JPS) involving site and above site Quality, Engineering and EHS functions - were conducted in 2015 to assess the site gaps in the Quality Systems and Procedures and the team successfully came out of concrete actions for implementation. This resulted in improvements at our Quality Systems and Laboratory Operations involving L1 & L2 audit processes, QMS compliance, Line Clearance, Documentation and Data Integrity processes and Human factor understanding for better performance.

Investing on People remains key priority for site. During 2015, a total of 65 people have been inducted into site operations. Cross site visits of SMEs from different GSK sites and functions also enhanced People capability. Site successfully completed the Engineering audits in 2015 and scored 67% under TP13 assessment. All the improvement initiatives has resulted site to remain in High Control Status for both Quality Risk Model and EHS Risk model during Q4, 2015.

4. GSK People

Your organisation is evolving and Human Resources (HR) team is the key driver of this transformation by supporting the business to embed a Performance driven culture and new ways of working.

Aligning with global platform, HR in your organisation has rolled out state of the art people management system named "Workday" that will enable employees to manage information and receive HR services anytime and anywhere (accessible from mobile as well). With the help of this





revolutionary system, employee information can be stored online, employee performance can be monitored and performance based reports can be generated to support the business decisions. Over a period of time, Workday will enable employees to work more efficiently minimising the paper based transactions.

HR took initiative to roll out 'Future Leader Programme (FLP)' – a GSK global programme, highly recognised for developing leadership pipeline in the organisation. This is a two-year programme where FLP trainees undergo an exhaustive learning process and get involved in different projects/functional stints before they are placed in a leadership pipeline role.

Through a rigorous process of aptitude test and assessment centre, two FLP Trainees for Pharma business have been on-boarded in 2015. We intend to extend the FLP programme to Consumer Healthcare business as well.

To become true partner for the business, HR in your organisation took initiative to recruit more than 100 permanent employees in Pharmaceutical and Global Manufacturing & Supply (GMS) businesses. Amongst them, 45 employees were recruited under Project 'Reach-Out', a business expansion project for Pharma business, and rest of the recruitment took place in GMS, Chittagong site to enhance productivity and stabilise the production processes. We have also successfully integrated third party 'Expert Marketing' team of Consumer Healthcare business into GSK Bangladesh.

Continuous learning and capability enhancement of employees are the core drivers for future business growth. Keeping that in mind 'My Supply Chain Academy' programme was launched in GMS, Chittagong Site. This is a global GSK programme and for the first time launched in Bangladesh. Under My Supply Chain Academy, there were several learning modules like GMS Foundation, End-to-End Supply Chain, Leading EHS, etc., that helped the GMS employees to become more patient focussed while producing and managing quality medicines.

5. Financial Results

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December 2015.

Particulars	2015	2014
Revenue	8,888,828	7,187,225
Cost of Sales	(4,264,297)	(4,476,255)
Gross Profit	2,634,531	2,710,970
Profit before taxation	1,138,868	1,182,303
Less: Provision for taxation	(307,580)	(255,525)
Net Profit after tax	831,078	826,778
Add: Unappropriated profit brought forward from previous year	1,625,434	1,304,807
Add: Adjustment made on account of disposal of revalued assets		
Amount available for distribution	2,456,513	2,131,585
Appropriations:		
Dividend for the year ended 31 December, 2015 @ 550% (2014: 420%)	(862,555)	(505,951)
Transfer to retained earnings	1,793,958	1,625,434

Figures in BDT, '000

Net Sales of the Company was Tk. 6,699mn, against Tk. 7,187mn of last year. This represents a 7% decline from last year. Despite a negative growth in the key category (HFD) of the Company and severe internal challenges of supply chain, the Company was able to obtain a leadership position in Consumer Healthcare segment and post a positive growth in the Pharmaceuticals segment. Throughout the year, expenses were strictly rationalized, and along with a stronger, stable currency the gross profit showed a decline of 3% from previous year. There was further optimisation of operating expenses. This helped to improve profit after tax by 1% which stood at Tk. 831mn. As a result, EPS (Earnings per Share) has marginally increased to Tk. 68.99 from Tk. 68.63 in 2014.

6. Dividend

In consideration of the above, the Board of Directors recommended a final dividend of 550% i.e. Tk. 55.00 per share of Tk. 10.00 each for the year 2015.

The recommended dividend if approved by the shareholders at the Annual General Meeting will involve a cash outflow of Tk. 662.55mn.

7. Directors' Disclosures and Declarations

The full financial statements are presented in a later section of the annual report, along with the full notes of disclosures. The Board of Directors is further pleased to present you the following disclosures:

- The financial statement prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement;
- International Financial Reporting Standards (IFRS), as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- There are no significant variance between Quarterly Financial Performance and Annual Financial Statements;
- All deviations from the last year's operating results of the Company have been highlighted under the above point 5;
- All transactions with related parties have been made on a commercial basis and the

basis was the principle of "Arm's Length Transactions". Related party transactions have been presented in notes to the Financial Statements;

- h) During the year, the Company has paid a total of Tk. 250,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in the notes to the Financial Statements;
- i) There is no extra-ordinary gain or loss during the year;
- j) Utilisation of proceeds from public issues is not applicable;
- k) Explanation of financial results after IPO is not applicable;
- l) The summarized key operating and financial data for the five years (2011-2015) is set out in Annexure-II.

The Directors also report that:

- a) The Managing Director and Finance Director have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge believe that these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- b) The Managing Director and Finance Director have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge believe that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
- c) The Managing Director and Finance Director have further certified to the Board that there are to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

8. Risks & Concerns

The Company has a robust system of managing its business risk which has been described under Corporate Governance Chapter and the notes to the Financial Statements.

9. Internal Control

The Company maintains a sound internal control system which gives reasonable assurance against any material mis statement of loss. The internal control framework is regularly reviewed by the Audit Committee in each meeting which is reported

to the Board of Directors. Further, the Company's Executive Committee also reviews the internal controls and risk management process on a quarterly basis. This report further encloses a detailed discussion on the internal control framework under the Statement of Internal Control.

10. Going Concern

The Directors are of the opinion that the Company is a going concern and there are no significant doubts upon the Company's ability to continue as a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

11. Contribution to the National Exchequer

Every year, the Company makes a significant contribution to the National Exchequer in the form of duties and taxes. During the year 2015, GlaxoSmithKline Bangladesh Limited contributed to the government exchequer a sum of Tk. 1,961 mn.

12. Board of Directors and Shareholding Information

Composition and Size of the Board

On 31st December, 2015 there were 8 members on the Board. The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgement in the Board's deliberations and decisions. Five Directors, including the Managing Director, are Executive Directors. There are three Non-Executive Directors, out of which two are Independent Directors.

Board Meetings and Attendance

During the year 2015, 7 (seven) meetings were held. The following table shows the composition of the Board and attendance at the Board meetings:

Name of Directors	Number of Meetings held Within a Board Year	Meetings Attended	Remarks
Mr. Rodrigo Becker	7	0	
Mr. M. Azizul Huq	6	6	Resigned from 24th November 2015
Ms. Erum Sheikh Rahim	1	0	Appointed from 24th November 2015
Mr. Masud Khan	7	7	
Ms. Zinnia Tanzina Huq	7	7	
Mr. Md. Fayekuzzaman	7	7	
Mr. Rajib Barua	7	5	
Mr. Gopalakrishnan Venkatramani	7	4	
Mr. Md. Mezbah Ul Hoque	3	3	Appointed from 21st October 2015

The members who could not attend the meeting were granted leave.

Details of Directors being Appointed/ Re-appointed:

As per the Articles, one-third of the Directors excluding the Managing Director should be retiring by rotation and if eligible, qualify for re-election.

The Directors retiring by rotation under Article 85 are Mr. Rodrigo Becker, Ms. Zinnia Tanzina Huq and Mr. Gopalakrishnan Venkatramani, who being eligible, offer themselves for re-election.



Ms. Erum Shakir Rahim, Mr. Md. Mesbahul Hoque and Mr. Md. Iftikhar-uz-zaman having been appointed to the Board since the last Annual General Meeting under the provision of Article 89 also retire and being eligible, offer themselves for re-election.

The brief resume of Ms. Erum Shakir Rahim, Mr. Md. Mesbahul Hoque and Mr. Md. Iftikhar-uz-zaman are given below:

Erum Shakir Rahim

Erum Shakir Rahim was inducted in the GSK Bangladesh Board in November, 2015. Prior to this role she was the General Manager of GSK Pharmaceuticals, Malaysia & Brunei. Ms. Erum has also held the positions of Director, Marketing and Business Development of GSK, Pakistan, Iran and Afghanistan. She holds a Master's degree in Mass Communication from University of Karachi and has over 20 years of experience in GSK.

Mr. Md. Iftikhar-uz-zaman

Mr. Md. Iftikhar-uz-zaman was inducted in the GSK Bangladesh Board in February 2016. He assumed the position of Managing Director of Investment Corporation of Bangladesh in February 2016. His successful career spans over 32 years with important positions at different banks and financial organisations. Prior to his current position, he served as Deputy Managing Director of Janata Bank Ltd and ICB. Before that he was General Manager of ICB.

Mr. Md. Iftikhar-uz-zaman also sits as Director of various companies including British American Tobacco Bangladesh Co. Ltd., Linde Bangladesh Limited, Renata Limited, Bangladesh Krishi Gobeshona Endowment Trust, Credit Rating Agency of Bangladesh Ltd., Credit Rating Information and Services Ltd., Standard Bank Limited, National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Ltd., CAPM Venture Capital & Finance Ltd.

Mr. Md. Iftikhar-uz-zaman obtained B.A (Hons) and M.A. in Statistics from University of Rajshahi. During his career he attended a number of training programmes on different Capital Market issues at home & abroad.

Mr. Md. Mesbahul Hoque

Mr. Md. Mesbahul Hoque was inducted in the GSK Bangladesh Board in October, 2015. He did his graduation in Pharmacy from Punjab University, Pakistan. He also holds an MBA degree from the Institute of Business Administration, Dhaka University.

Mr. Md. Mesbahul Hoque started his career in country's pharmaceutical sector in 1969 by joining May & Baker (UK) Ltd., presently known as Aventis (BD) Ltd. He was the Managing Director of Therapeutics (BD) Limited from 1996 to 2012. He also worked as Director Operations of Libra Infusions Ltd., and Marketing Director of Sanoofi Bangladesh Ltd (Rhône-Poulenc). Currently, he is an Independent Director of AB Bank Limited. He is an active member of Bangladesh Pharmaceuticals Society; and the Former Chairman of Reptiles Farm Ltd., (first crocodile captive breeding farm in Bangladesh).

The brief resume of the other Directors including retiring/reappointing Directors are given in pages 53-54.

Audit Committee

As per stipulation of The Bangladesh Securities and Exchange Commission (BSEC) guidelines, the Board has constituted an Audit Committee for the Company which is mentioned in the Compliance Report enclosed herewith. The Committee comprises of 1 Independent Non-Executive Director, 1 Non-Executive Director and the Managing Director. The Audit Committee met 4 times in the year. All members of the Committee were present. The Finance Director acted as the Secretary to the Audit Committee. Further details of the Audit Committee's responsibilities are included in the Audit Committee Report.

Remuneration to Directors

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the above country management.

The Executive Directors and some senior employees of the Company are entitled to Share Value Plan of GlaxoSmithKline plc, UK.

Independent and Non-Executive Directors other than Directors who are in the employment of the GlaxoSmithKline Group Companies are paid attendance fees of Tk. 10,000.00 per meeting as remuneration.

The details of the remuneration paid to the Executive Directors during the year are given in Notes-30 of the Financial Statements.

Shareholding Information

The shareholding information as at 31 December, 2015 and other related information are set out in Annexure-III.

Shareholders/Investors Grievance

During the year under review, the Company received some complaints regarding on time receipt of Annual Reports and dividend from the shareholders. All these issues have been resolved duly.

13. Performance of Corporate Responsibilities

As a Company, our responsibility and commitment to the Community where we work is gaining more and more importance. Being a healthcare company, we have made it our mandate to improve and work in the public health sector in order to facilitate access to quality healthcare for all. We, in Bangladesh, over the years, have taken up a good number of initiatives to fulfil our corporate responsibilities for a better and healthier community.

The key initiatives include:

Reinvestment of 20% of profits for Healthcare Infrastructure development in Bangladesh:

In 2011, the Company commenced a unique initiative

to create healthcare infrastructure of the country by re-investing 20% of its profits to innovative health HR initiatives. Through partnership with leading NGOs and renowned organisations some of the projects under the initiatives have completed the 1st phase with few key milestones. By end of 2015, few of the projects have moved to further expansion phase as well. The initiative now has expanded from creating health HR through Community Health Workers at the hard to reach rural areas to urban/semi urban areas. This initiative continues to grow efficiently since its inception and till date runs a number of successful projects with CARE, M&S, Friendship & ICDDR,B as partners.

Key projects include:

- GSK-CARE Community Health Worker Initiative
- GSK-FRIENDSHIP m-Health project
- GSK-ICDDR,B Health System Strengthening Programme
- GSK CARE RMG (Ready Made Garments) Healthcare Programme
- GSK, M&S, CARE Health Access and Linkage Opportunities for Workers (HALDW) Project

Details of these initiatives are provided in pages 38-39.

Free Primary school at Mirpur, Dhaka.

GSK's continuous support of this primary school for slum children in Roopnagar Mirpur, Dhaka, has enabled it to provide more than 500 students free education from pre-school to Class 5. Till date, the school boasts of 100% pass rate of the students in the Primary School Certificate exams.

The Duke of Edinburgh's Awards (DEA)

As one of the Founding Trustees of this international programme GSK, aims at providing the new generation with life skills and opportunity to do different extracurricular activities. To make this international award accessible to a wider group of youth, the award programme was expanded to a number of institutions outside Dhaka, Chittagong to almost all divisional cities of the country. The result of which, saw a remarkable enrolment of around 4000 awardees last year. The programme was also awarded full licensing by its International Chapter in 2015 for its outstanding work and process.

Our support to different charitable projects through cash and medicine donations continued like previous years.

14. Environment, Health and Safety

GSK Bangladesh is committed to provide a healthy and risk-free environment for its employees, service providers and visitors at the site for ensuring "Zero Accident".

Chittagong Site ended the year 2015 with "Zero" GSK Reportable Injury & Illness (RI&I) case. This outstanding safety result is mainly due to closing of unsafe conditions, unsafe behaviour & Near Misses as part of Zero Accident Promotion (ZAP) programme. In 2015, site employees proactively reported & closed 2,501 numbers of Near Misses arisen from unsafe conditions, unsafe behaviour and proactively mitigated the precursor of accident. Also, Chittagong site is continuing "Stop for Safety" weekly shop-floor engagement to reduce at-risk behaviour of the working people. The Site Leadership Team (SLT) members carried out Zero Access physical guarding & Lock-Out/Tag-Out (LOTO) audit at the site and closed the gaps in Machinery Safety compliances.

Chittagong Site received EHS risk profile status from Audit & Assurance (A&A) in 2015. The Site is in high control quadrant and the control system appears robust with a significant improvement in L3 Audit performance as findings

from the last (2014) audit have been addressed. TP13 engineering assessment was held in December 2015 with a score of 67% in "Good" Level.

To increase EHS capability and risk awareness among our First-Line Leaders (FLLs) site has propagated "Leading EHS" certification programme on ten web-based mlearning modules, three workshops followed by a poster session and examination. Almost 40 people successfully completed the "Leading EHS" certification program. Managing workplace stress and releasing energy is vital for Company business. GMS site arranged a day-long Personal Resilience Workshop on 9th August, 2015 for 30 site people. Crisis Management Training & simulation was carried out by the Regional CSI Team for the 30 participants in March 2015.

As part of the Environmental sustainability programme, Chittagong site reduced 4.88% water consumption in 2015 w.r.t. previous year. Chittagong Site received Zero to Landfill (ZTL) certificate from Group Environment Centre of Excellence (CoE) in recognition of it having officially obtained "Zero Waste to Landfill" status.

15. Code of Conduct

GSK is committed to operate with integrity. The Board of Directors of the Company has adopted a Code of Conduct for the directors. All employees of the Company have also adopted The GSK Code of Conduct which applies to all GSK Staff and was circulated among the employees. All employees are required to abide by the ethical code of conduct in relation to business and regulations.

The Sales and Marketing employees are further subject to an Emerging Markets & Asia Pacific Promotion and Marketing Code which has become firmly established as the cornerstone of Performance with Integrity value. GSK demands that its sales and marketing employees not only follow the letter of the Code, but enthusiastically embrace its spirit with a firm policy of zero tolerance to deviations.

The Company has put in place a Whistle Blower Policy named 'Speak Up', pursuant to which employees are empowered to promptly raise concerns of possible misconduct, potential conflicts or known



breaches with GSK Code of Conduct and Company policies and procedures. A supplementary policy of "Non-retaliation" ensures that employees can raise such concerns without risking any kind of retaliation.

In 2015, key managers of the Company went through a rigorous workshop of embedding the GSK values named "Living our Values", whereby the GSK Values of Integrity, Respect for People, Patient/Consumer Focus and Transparency were assessed by top management and then revisited by all managers through examples and activities.

16. Auditors

The present auditors, Messers ACNABIN Chartered Accountants, retire and being eligible offer themselves for re-appointment. The Board recommends Messers ACNABIN Chartered Accountants as the auditor of the Company for the year 2016 for approval at the Annual General Meeting.

17. Corporate Governance Compliance Report

As part of its corporate policy, GSK Bangladesh has always strived to maintain high standards of compliance in corporate governance. The Company's Corporate Governance Charter, outlined in the Corporate Governance Chapter, governs the way the Company will be operated and managed and the process in place to ensure high standards of transparency, accountability and integrity.

We are pleased to conform that the Company has complied with all necessary guidelines in accordance with the requirement of SEC Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012. The Corporate Governance Compliance Report for 2015 is attached in Annexure-I, along with the Certificate of Compliance required under the said Guidelines.

18. Acknowledgement

The Board of Directors would like to express their deepest appreciation to all employees of the Company, who exemplified the GSK spirit of putting the patient and consumer first. All of them worked tirelessly within the constraints to provide appropriate information and ensure product availability for patients, consumers and healthcare professionals who serve them.

As a result of this resilience, your Company was able to record the resilient performance of 2014, despite external challenges. Investment in key launches continued this year to secure future sustainable returns to the business.

We are deeply grateful for the trust and confidence in your Company from the healthcare professionals,

patients, consumers and trade partners who continue to inspire us. We are honour bound to continue to uphold this trust that we hold so dear to our heart.

The journey of GSK in Bangladesh is linked to the support of all stakeholders including The Bangladesh Securities & Exchange Commission, The Dhaka Stock Exchange Limited, The Central Depository Bangladesh Limited, Financial Institutions, Insurance Companies, Utility Providers, various Government authorities and other individuals and agencies. The Board would like to express its heartfelt thanks to all of them.

On behalf of the Board

Erum Shakir Rahim
Managing Director

9th March, 2016



Certificate on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission to the Shareholders of GlaxoSmithKline Bangladesh Limited

We have examined the Statement of Compliance of Corporate Governance of **GlaxoSmithKline Bangladesh Limited** for the year ended 31 December, 2015, as set by Bangladesh Securities and Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August, 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July, 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1989.

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Notification.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

MABS & J Partners
Chartered Accountants

Dhaka, 24 February, 2016

An independent member firm of Nexia International, UK

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GLAXOSMITHKLINE BANGLADESH LIMITED

STATEMENT OF COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES

For the year ended 31 December, 2015

Status of compliance with the conditions of Corporate Governance Guidelines as set by the Bangladesh Securities & Exchange Commission (BSEC) by the Notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July, 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1.1	Board's Size	✓		
1.2(i)	Minimum number of Independent Directors	✓		
1.2(ii)(a)	Shareholding by Independent Directors	✓		
1.2(ii)(b)	Relationship with Company's Sponsor	✓		
1.2(ii)(c)	Relationship with the Company	✓		
1.2(ii)(d)	Member/Director/Officer of Stock Exchange	✓		
1.2(ii)(e)	Shareholder/Director/Officer of any member of Stock Exchange	✓		
1.2(ii)(f)	Partner of Statutory Audit Firm	✓		
1.2(ii)(g)	Directorship in other Listed Companies	✓		
1.2(ii)(h)	Defaulter in payment of bank/NBFI loan	✓		
1.2(ii)(i)	Conviction for criminal offence	✓		
1.2(ii)	Appointment of Independent Director(s)	✓		
1.2(iv)	Vacancy of the post of Independent Directors	✓		
1.2(v)	Code of Conduct & Annual Compliance	✓		
1.2(vi)	Tenure of Independent Directors	✓		
1.3	Qualification of Independent Directors (ID)			
1.3(i)	Knowledge & integrity of Independent Directors	✓		
1.3(ii)	Qualification and experience of Independent Directors	✓		
1.3(iii)	Relaxation of qualification of Independent Directors	✓		NA
1.4	Chairman of the Board & Chief Executive Officer	✓		
1.5	Directors' Report to Shareholders			
1.5(i)	Industry Outlook & possible future development	✓		
1.5(ii)	Segment or product wise performance	✓		
1.5(iii)	Risk and concerns	✓		
1.5(iv)	Discussion on COGS, OP & Net Profit	✓		
1.5(v)	Extra ordinary gain or loss			No such incidence arose
1.5(vi)	Basis for related party transaction	✓		
1.5(vii)	Utilization of proceeds from PI/RI			NA
1.5(viii)	Explanation of deterioration of financial result			NA
1.5(ix)	Explanation of variance between quarterly & annual Financial Statement	✓		
1.5(x)	Remuneration of Directors	✓		

ANNEXURE-I

[Report under Condition No. 7.00]

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(xi)	Fairness of financial statement	✓		
1.5(xii)	Maintenance of proper books of accounts	✓		
1.5(xiii)	Adoption of appropriate accounting policies and estimates	✓		
1.5(xiv)	Compliance with IAS/BAS/IFRS/BFRS	✓		
1.5(xv)	Soundness of Internal Control System	✓		
1.5(xvi)	Ability to Continue as a going Concern	✓		
1.5(xvii)	Significant Deviation in Operating Results compared to last year	✓		
1.5(xviii)	Key Operating and Financial Data of preceding five years	✓		
1.5(xix)	Reason for not declaring Dividend			NA
1.5(xx)	Board Meeting attendance	✓		
1.5(xxi)(a)	Shareholding by Parent / subsidiary / Associated companies	✓		
1.5(xxi)(b)	Shareholding by Directors, CEO, CFO, CS, HIA	✓		
1.5(xxi)(c)	Shareholding by Executives	✓		
1.5(xxi)(d)	Shareholders holding 10% or more	✓		
1.5(xxii)(a)	Resume of Directors	✓		
1.5(xxii)(b)	Expertise of Directors	✓		
1.5(xxii)(c)	Directorship in other companies	✓		
2.	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT (HIA) AND COMPANY SECRETARY (CS)			
2.1	Appointment	✓		The same person holds both the positions of CFO and CS.
2.2	Requirement to attend the board meetings	✓		
3.	AUDIT COMMITTEE			
3(i)	Audit Committee as a sub-committee	✓		
3(ii)	Function of Audit Committee	✓		
3(iii)	Reporting to the Board of Directors	✓		
3.1	Constitution of the Audit Committee			
3.1(i)	Composition of Audit Committee	✓		
3.1(ii)	Appointment of Members	✓		
3.1(iii)	Qualification of Members	✓		
3.1(iv)	Filling of Vacancy	✓		
3.1(v)	Secretary of the Committee	✓		
3.1(vi)	Quorum of meeting	✓		
3.2	Chairman of the Audit Committee			
3.2(i)	Selection	✓		
3.2(ii)	Requirement of presence in the AGM	✓		
3.3	Role of Audit Committee			
3.3(i)	Oversee the financial reporting process	✓		
3.3(ii)	Monitor Accounting Policies and Principles	✓		
3.3(iii)	Monitor Internal Control Risk management process	✓		
3.3(iv)	Oversee hiring & performance of external auditors	✓		
3.3(v)	Review the Annual Financial Statements	✓		
3.3(vi)	Review the quarterly and half yearly financial statements	✓		
3.3(vii)	Review the adequacy of Internal Audit Function	✓		

ANNEXURE-I

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 and subsequently amended on July 21, 2015 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.3(vii)	Review of significant related party transactions	✓		
3.3(x)	Review of the Management Letters	✓		
3.3(x)	Application of fund raised through IPO/PRO/R			
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1(i)	Reporting on activities	✓		
3.4.1(i)(a)	Report on conflicts of interest			No such incidence arose
3.4.1(i)(b)	Material defect in Internal Control System			No such incidence arose
3.4.1(i)(c)	Suspected infringement of laws			No such incidence arose
3.4.1(i)(d)	Any other matter			No such incidence arose
3.4.2	Reporting to the Authorities			No such reportable incidence arose
3.5	Reporting to the Shareholders & General Investors	✓		
4	EXTERNAL/STATUTORY AUDITORS			
4(i)	Appraisal or Valuation Services	✓		
4(ii)	Financial Information System	✓		
4(iii)	Book-Keeping or other services	✓		
4(iv)	Broker dealer services	✓		
4(v)	Actuarial services	✓		
4(vi)	Internal Audit Services	✓		
4(vii)	Any other services	✓		
4(viii)	Possession of share by Partner or Employee of Audit Firm	✓		
4(ix)	Audit/certification service on compliance of Corporate Governance	✓		
5	SUBSIDIARY COMPANY			
5(i)	Composition of the Board of Directors			NA
5(ii)	Independent Director			NA
5(iii)	Submission of minutes to the holding company			NA
5(iv)	Review of affairs by the holding company			NA
5(v)	Review of financial statement by the Audit Committee of holding company			
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)			
6(i)(a)	Financial Statements do not contain any untrue or misleading statement	✓		
6(i)(b)	Financial Statements present a true & fair view of the Company's affairs and are in compliance with Accounting Standards and applicable laws	✓		
6(ii)	Certification that there are no fraudulent, illegal or violation of the Company's code of conduct	✓		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
7(i)	Certification on compliance of Corporate Governance	✓		
7(ii)	Directors' statement on compliance of the above conditions in the Directors' Report	✓		

REPORT OF KEY OPERATING AND FINANCIAL RECORDS



Annexure-ii

Taka in '000

	2015	2014	2013	2012	2011
Assets Employed					
Property, Plant and Equipment	600,794	546,216	536,861	497,830	480,662
Intangible Assets	3,437	4,374	5,467	-	-
Net Non-current Asset	10,370	27,713	44,046	-	-
Net Current Asset	2,037,951	1,876,912	1,391,003	1,132,519	1,086,806
Total Assets Employed	2,652,552	2,455,215	1,977,377	1,630,349	1,567,268
Financed by					
Share capital	120,465	120,465	120,465	120,465	120,465
Reserves and Surplus	2,483,339	2,196,032	1,730,847	1,385,095	1,301,825
Shareholders' Equity	2,603,804	2,316,497	1,851,112	1,485,560	1,422,290
Retirement benefit Obligations	40,822	77,241	81,469	83,874	82,139
Obligation under finance lease	8,813	14,865	12,757	22,403	26,938
Deferred Tax Liabilities	(887)	46,612	32,039	38,512	35,901
	48,748	138,718	126,265	144,789	144,978
Total Capital Employed	2,652,552	2,455,215	1,977,377	1,630,349	1,567,268
Turnover and profit					
Sales-net of VAT and trade discount	6,698,828	7,187,255	6,774,872	5,553,812	4,735,121
Profit / (Loss) from operation	1,040,812	1,062,530	604,604	375,670	416,926
Profit before Int, Dep & Tax	921,341	942,649	505,488	287,230	349,125
Profit / (Loss) for the year	831,079	826,778	546,249	243,967	282,068
Ratios & Key Information					
Gross profit ratio - %	39.33	37.72	32.67	28.61	28.48
Earning per share (EPS)-Taka	60.99	68.63	45.35	20.25	23.42
Price/Earning (P/E) ratio-times	26.09	22.04	21.08	28.15	28.37
Price/Equity Ratio-Times	179.98	151.23	95.57	57.00	66.45
Dividend per share (DPS)-Taka	55.00	42.00	30.00	15.00	15.00
Dividend payout-percentage	79.72	61.20	66.16	74.07	64.06
Yield/Effective dividend rate- ratio	1.43	1.43	2.00	2.27	1.93
Net assets value per share-Taka	216.16	192.30	153.67	123.32	118.07
Net operating cash flow per share	84.42	111.14	82.22	43.80	43.07
Return on shareholders, equity-%	31.92	35.69	29.51	16.42	19.83
Return on Capital employed - %	39.22	43.28	30.58	23.04	26.60
Debt equity ratio-times	53.41	1.17	1.16	1.08	0.83
Current ratio-times	1.73	1.73	1.69	1.79	2.05
Market price per share at 31 December -Taka	1,799.80	1,512.30	955.70	570.00	684.50
Market Capitalisation at 31 December (Taka Million)	21,881	18,218	11,513	6,886	8,005
Average number of employees	906	822	714	680	652



SHAREHOLDING INFORMATION



Annexure-iii

Categories of Shareholders

Parent Company:

Setfirst Limited, UK

Executives:

Mr. A.K.M. Firoz Alam, Director, HR

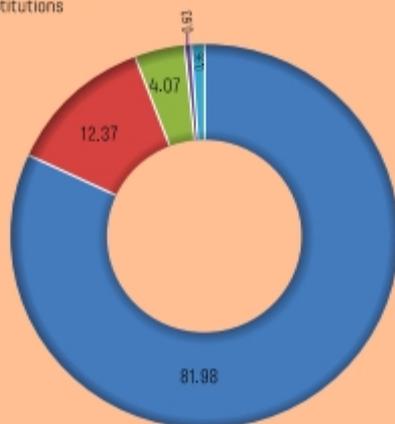
Shareholders holding 10% or more interest:

Setfirst Limited, UK

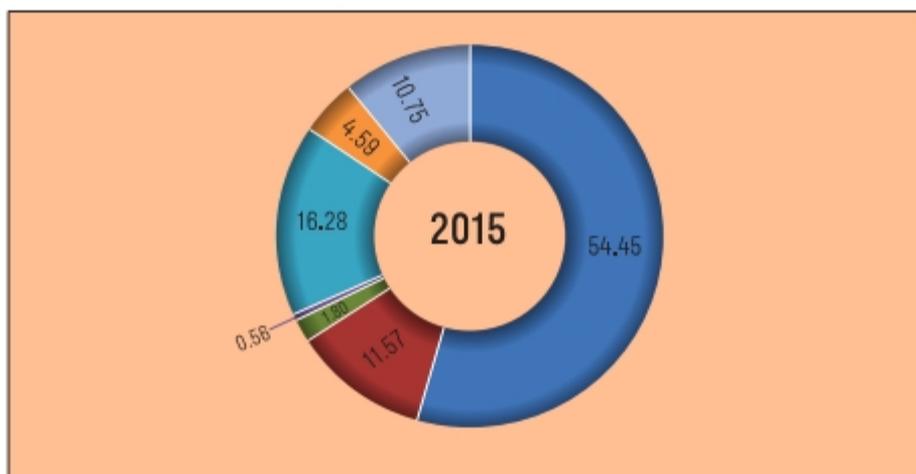
Investment Corporation of Bangladesh & ICB Unit and Mutual Funds

No. of Shareholders	No. of Shares Held
1	9,875,144
1	50
1	9,875,144
1	1,480,698

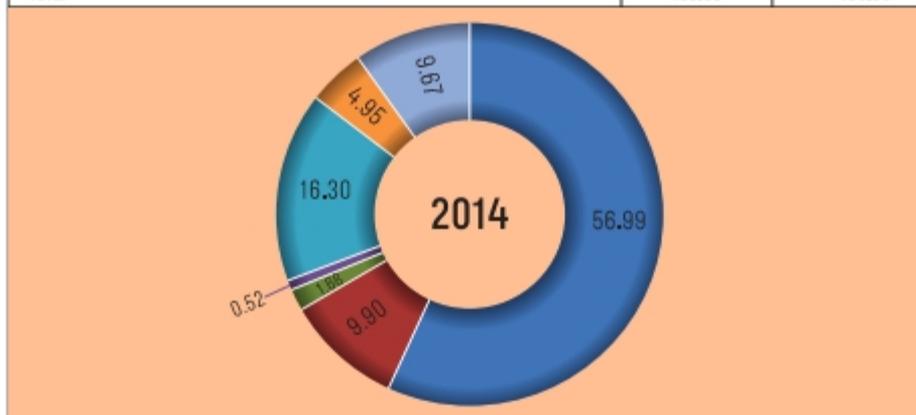
- Setfirst Limited, UK
- Investment Corporation of Bangladesh (ICB)
- General public
- Sadharan Bima Corporation
- Other Local Financial Institutions



ANALYSIS OF SALES REVENUE (NTO)



	2015	2014
	%	%
Cost of Goods	54.45	56.99
Salary, Wages and Benefits	11.57	9.90
Depreciation	1.80	1.88
Fuel & Power	0.56	0.52
Other Expenses	16.28	16.30
Income Tax	4.59	4.95
Profit after Tax	10.75	9.67
Total	100.00	100.00

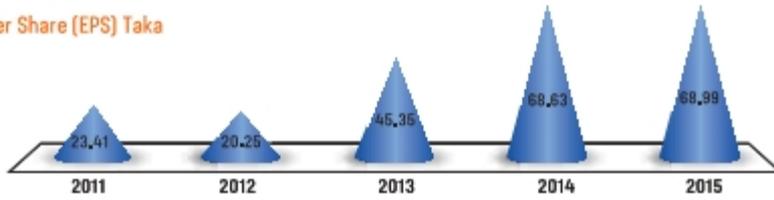




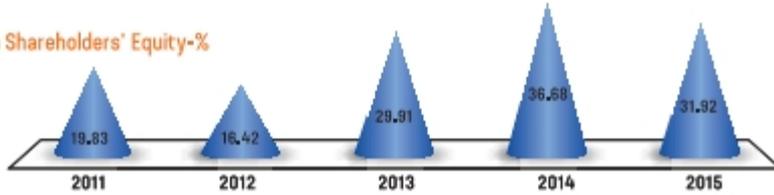
KEY PERFORMANCE INDICATORS



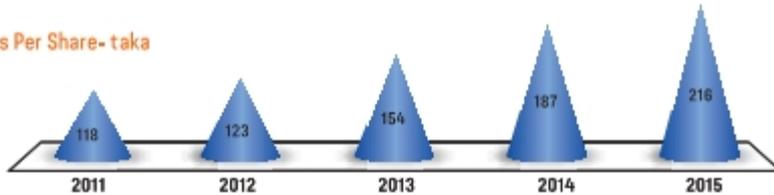
Earning Per Share (EPS) Taka



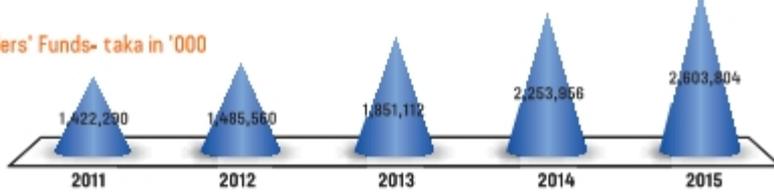
Return on Shareholders' Equity-%



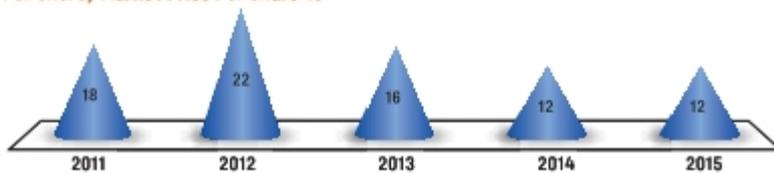
Net Assets Per Share- taka



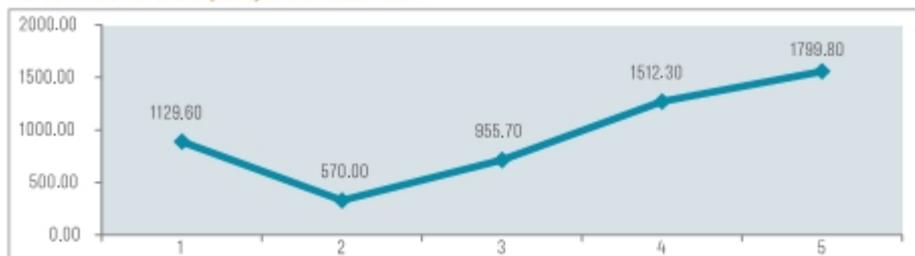
Shareholders' Funds- taka in '000



Net Asset Per Share/Market Price Per Share-%



Market Price Per Share (Taka) at 31st December



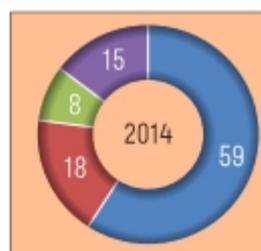
VALUE ADDED STATEMENT



The value added statement provides a detailed account of total value addition and the distribution of the value created by the company.

Taka in '000

Value Added :	2015		2014	
	Amount	%	Amount	%
Turnover	7,705,837		8,250,862	
Less Bought in Materials & Services	3,581,659		4,397,454	
	4,124,178		3,853,408	
Other income	12,425		11,979	
Financial Income	98,057		119,773	
Applied to :	4,234,660	100	3,985,160	100
Government Revenue & Taxes	1,980,636	46	2,355,611	59
Employees Remuneration & Benefits	785,193	19	717,040	18
Dividends	458,481	11	327,243	8
Depreciation & Retained Profit	3,204,310	76	3,399,694	85
	1,030,350	24	585,266	15
	4,234,660	100	3,985,160	100



GSK Bangladesh contributes positively to socio-economic development by empowering employees through the payment of salaries and allowances; by paying attractive and consistent dividend to the shareholders; by assisting the regulatory authorities through paying taxes & duties.

Market share information of major categories of products - %

Categories	2015	2014
Health food drink	85.9	86
Glucose Powder	56	52
Vaccines	47	45
Dermatologicals	17.1	19

Economic Value Added (EVA)

EVA provides a measurement of a company's economic success over a period of time. It shows how well a company has added value for its investors and it can be compared against company's peers for an analysis of how well the company is operating in its industry.

Calculation of EVA

Taka in '000

	2015	2014
Net Operating Profit After Tax (NPAT)	1,040,612	1,062,530
Total Capital Employed	2,652,552	2,455,215
Cost of capital in %	25%	15%
Cost of capital (COC)	665,838	364,485
EVA = NPAT-COC	374,774	698,045

The positive number of EVA reveals that the Company has more than covered its cost of capital.



PROFILE OF THE COMPANY



GlaxoSmithKline (GSK) is a science-led global healthcare Company that researches and develops a broad range of innovative medicines, vaccines and consumer healthcare products. Our products are used by millions of people around the world, helping them to do more, feel better and live longer. With Headquarters in UK, GSK has a wide geographical reach which include 115 countries, manufacturing network in 87 sites and more than 100,000 people working globally. We have three primary areas of business in pharmaceuticals, vaccines and consumer healthcare. As a research based company we believe in creating innovative new products and making these accessible to as many people who need them.

As a part of the centuries old company, GSK Bangladesh, a subsidiary of GSK plc started its operation in Bangladesh, the then East Pakistan in 1949. GSK Bangladesh's activities include secondary manufacture of pharmaceutical products and marketing of vaccines, pharmaceutical healthcare products, nutrition and oral healthcare products. Our activities in all three business areas are strictly guided by "GSK values" which include showing respect for people, being patient/customer focused and commitment to transparency and demonstration of highest integrity in our conduct. Embedded with these values and backed by leading edge technology, around 1000 personnel are working all over the country with the global mission to improve the quality of human life by ensuring quality healthcare products.

In the more than six decades since its inception, the Company has evolved from being an importer to manufacturer by establishing its own manufacturing unit in Chittagong in 1967. Following the mergers and acquisition it also underwent identity evolution from Glaxo to Glaxo Wellcome Bangladesh Limited to finally GlaxoSmithKline Bangladesh Limited in 2002.

GSK Bangladesh's Vaccine unit leads the market of the country not only in terms of volume but also in terms of providing a whole range of disease prevention for both infants and adults. With the acquisition of Novartis Vaccines globally, our Vaccine portfolio is set to further expand its range in future. In March, 2015 GSK pneumococcal vaccine was introduced in the Bangladesh Government's Expanded Programme for Immunisation (EPI).

Till today, GSK Bangladesh continue to rank among the leaders in the respiratory and anti-infectives therapeutic areas and we proudly hold on to our leadership position in dermatology. The acquisition of Stiefel Laboratories, the world's largest independent dermatology company have further strengthened our position in the derma world and have further created our footprint in to the aesthetic skin health care arena.

The Consumer Healthcare unit leads the Health Food Drink (HFD) category in Bangladesh and is now set on its journey to create a strong footprint in the Oral Health Care and Vitamins & Mineral Supplement (VMS) category. In each of these categories GSK has flagship brands like Horlicks™, Sensodyne™, Glaxose™ etc.

GSK has made a global commitment to re-invest 20% of the profits we make in developing countries to address issues around providing healthcare services to the underserved communities. In line with the above, in Bangladesh, we have been investing more than 1 million GBP per year since 2010 in a number of projects in partnerships with CARE, icddr and Friendship.

GSK is committed to develop new and effective healthcare solutions. The values on which the Group was founded have always inspired growth and will continue to do so in times to come.

PRODUCT INDEX

Therapeutic Area	Trade Name	Composition	Therapeutic Class	Indication
Anti-bacterial	Depex	Cephalexin	Oral cephalosporin	Common routine infections
	Cozimo	Cefixime	Oral cephalosporin	Common routine infections
	Kefdin	Cefdinir	Oral cephalosporin	Common routine infections
	Zinat	Cefuroxime axetil	Oral cephalosporin	Routine infections in Hospital and community
	Biopros	Ciprofloxacin	Oral tablet	Bacteremia, biliary tract infection, bone and joint infections, uncomplicated and complicated UTI, Gonorrhoea, Upper and Lower respiratory tract infections
Respiratory	Serotide Ventolin	Salmeterol + Fluticasone	Bronchodilator / anti-inflammatory	Bronchial asthma
	Respazone AWS	Salmeterol	Bronchodilator	Bronchial asthma
	Flugraze AWS	Beclomethasone dipropionate	Intra-nasal anti-inflammatory	Rhinitis
	Paxlon	Fluticasone propionate	Intra-nasal anti-inflammatory	Rhinitis
	Ventolin Nebules	Chlorpheniramine maleate	Anti-histamine	Hay fever, vasomotor rhinitis, food allergy
	Ventolin Respirator Solution	Salmeterol	Solution for Nebulization	Bronchial asthma
	Ventolin Evohaler	Salmeterol Salmeterol (as sulphate) 100 mcg	Rebulet solution Bronchodilator	Bronchial asthma Bronchial asthma
Cough & Cold preps	Acticol	Amboxol hydrochloride	Cough expectorant	Acute respiratory tract diseases with impaired formation of secretions, particularly in acute exacerbations of chronic bronchitis, asthmatic bronchitis, bronchial asthma and bronchiectasis.
Dermatology	Betnovate	Beclomethasone valerate	Topical corticosteroids	Eczema, psoriasis, atopic dermatitis
	Betnovate M	Beclomethasone valerate + Neomycin sulphate	Topical corticosteroids & combinations	Eczema, psoriasis, atopic dermatitis where secondary bacterial infection is present
	Betnovate CL	Beclomethasone valerate + clotrimazole	Topical corticosteroids & combinations	Eczema, psoriasis, atopic dermatitis where secondary fungal infection is present
	Dermoveit	Clobetasol propionate	Potent topical corticosteroids	Recalcitrant eczema, psoriasis, other skin conditions which do not respond satisfactorily to less active steroids
	Emovate	Clobetasone butyrate	Topical corticosteroids	Atopic eczema, dermatitis
	Cutivate	Flucicasona propionate	Topical corticosteroids	Eczema, psoriasis, atopic dermatitis
	Bactroban	Mupirocin	Topical antibiotic	Impetigo, folliculitis, furunculosis, eczema and secondary infected wound, burn, eczema
	Neobacrin	Neomycin + Zinc bacitracin	Topical antibiotic	Impetigo, yucca barbas, secondary infected wound, burn
	Fluor-OD	Fluconazole	Systemic antifungal	Broad spectrum antifungal (candidiasis & trichiasis)
	Discofen FP	Griseofulvin	Oral anti-fungal	Ringworm infections
	Tinatin	Clotrimazole	Topical anti-fungal	Ringworm infections, pityriasis versicolor, erythroma & intertrigo
	Dermoveit Scalp Application	Clobetasol Propionate 0.05%	Topical corticosteroids	Steroid responsive dermatoses of scalp such as Psoriasis, seborrhoeic eczema
	Lotta	Permethrin 5% w/w	Ecto- parasites	Anti-scoabies
Gastro-intestinal	Morfin	Omeprazole	Anti-ulcerant	Peptic & Duodenal ulcer, gastritis
Vitamins	Zentic	Ranitidine	Anti-ulcerant	Peptic & Duodenal ulcer, gastritis
	Complavit	Vitamin B complex	Vitamin	Vitamin B deficiency
	Berin	Thiamine HCl	Vitamin	Vitamin B1 deficiency
	Berin Plus	Thiamine Mesosulfate, Pyridoxine Hydrochloride, Cyanocobalamin Crystals	Vitamin	Vitamin B1, B6 & B12 deficiency
	Caldivit	Calcium Carbonate 500mg and Vitamin D 200 IU.	Vitamin and Mineral Supplements	Osteoporosis, osteomalacia, rickets, tetany and parathyroid disease
Analgesics	Paropryl	Paracetamol	Analgesic and anti-pyretic	Headache, toothache, colds, influenza
	Paradol Extra	Paracetamol 500mg Cofeine 87.5 mg	Non-narcotic Analgesics	Headache / Toothache / Migraine/ Dysmenorrhoea / Pain of osteoarthritis / Fever/ Fever & pain after vaccination
Oral steroid	Betnelon	Beclomethasone	Glucocorticosteroids	Asthma, severe allergic disturbance, rheumatoid arthritis
	Prodelon	Prednisolone	Glucocorticosteroids	Asthma, severe allergic disturbance, rheumatoid arthritis
Eye/Ear preps	Drosporn	Polymyxin+ Neomycin+Hydrocortisone	Anti-infective	Bacterial infections of Ear



Therapeutic Area	Trade Name	Composition	Therapeutic Class	Indication
Anti-depressive	Amitriptyline	Amitriptyline HCl	Anti-Depressant	For depressive illness where sedation is required
Laxative	Laxema	Senna pod	Vegetable Laxative	Constipation
Special use prep	Namazin	Prucyclidine HCl	Anti-parkinsonism	Parkinson's disease
	Tetracain	Artocurium benzoate	Anaesthetic	Neuromuscular blocking agent
	Orizon	Levthyroxine sodium (P 50)mcg	Hormone	Thyroxine deficiency
	Prola	Denosonab	Bone regulators	Post menopausal osteoporosis & bone loss in patients undergoing hormone ablation for prostate or breast cancer
Oncology	Imurax	Azathioprine	Anti-cancer	Anti-cancer
	Purinethal	6-mercaptopurine	Anti-cancer	Anti-cancer
	Tykerb	Lapatinib Ditosylate	Anti-cancer	Metastatic breast cancer
	Revolade	Eltrombopag Dimaleate	TPO-receptor agonist	Chronic idiopathic thrombocytopenic purpura & Hepatitis C associated thrombocytopenia
	Votient	Pazopanib Hydrochloride	Anti-cancer	Metastatic renal cell carcinoma & advanced soft tissue sarcoma
	Engerix B	Hepatitis B Surface antigen (HBsAg)	Hepatitis B vaccine	Active immunisation against hepatitis B virus infection
Vaccines	Hevac	Inactivated hepatitis A virus (IMOTIS hepatitis A virus strain)	Hepatitis A vaccine	Active immunisation against hepatitis A virus infection from one year of age
	Fluarix	Inactivated influenza vaccine (split virus) consists of WHO recommended strains (Northern Hemisphere) for the season 2013/2014.	Inactivated Influenza Vaccine	Prophylaxis against influenza
	Varifex	Old strain of varicella zoster virus	Chicken pox vaccine	Active immunisation against varicella of healthy subjects from 9 months of age
	Privot	Attenuated Schwarz measles, RT 4385 mumps (Jeryl Lynn strain) and Wistar RA 27/3 rubella strain of viruses	Measles, Mumps Rubella (MMR) vaccine	Active immunisation against measles, mumps and rubella from 9 months of age
	Mencevax-NWV	Lipophilised preparation of purified polysaccharides from Menzetta Meningitidis of serogroups A, C, W135 and Y	Meningococcal Meningitis vaccine	Active immunisation against meningococcal meningitis caused by meningococcal of serogroups A, C, W135 and Y of adult and children two years of age.
	Rotarix	Live attenuated human rotavirus (DAPIV) strain	Live-attenuated human rotavirus vaccine	Active immunisation against rotavirus gastroenteritis
	Synflorix	Pneumococcal polysaccharide and Non-typeable Haemophilus influenzae (NTH) protein D conjugate vaccine, adjuvanted	Pneumococcal conjugate vaccine	Active immunisation of infants & children against diseases caused by pneumococci (including sepsis, meningitis, pneumonia, bacteraemia & acute otitis media) and against acute otitis media caused by NTH.
	Inflexin-Pleia	Diphtheria, Tetanus, Acellular Pertussis, Hepatitis B recombinant, Inactivated Poliovirus, Conjugated Haemophilus Influenzae Type B	Hexavalent vaccine for infants	Active immunisation against diphtheria, tetanus, pertussis, hepatitis B, Polio infection & diseases caused by haemophilus influenzae Type B.
	Cervarix	Human Papillomavirus Vaccine Type 16 and 18	Cervical cancer vaccine	Active immunisation against cervical cancer
	Stiefel Pharma	Benzoyl	Benzoyl Peroxide	Topical anti-acne
Isotrex		Isotretinoin	Topical anti-acne	Treatment of acne vulgaris
Quoilm		Salicylic Acid & Lactic Acid	Keratolytic & cleansers	Topical treatment of warts, verrucae, corns and calluses.
Quoic-acidalgyl		Clindamycin & Benzoyl Peroxide	Topical anti-acne	Topical treatment of acne vulgaris
Stiefel Non-Pharma	Acne-Aid	Sulphonated Surfactant Blend	Topical anti-acne	As an adjuvant therapy in Acne vulgaris (dry skin and sebaceous conditions)
	LactCare	Lactic Acid & Sodium Pyridone Carboxylate	Anti-pruritic & soothing	All type of dry skin disorders like scaling of skin, cracking of skin, Ichthyosis, Xerosis, Seborrheic dermatitis (old age itching), Atopic dermatitis and chapping. In pregnancy stretched skin to restore elasticity
	Oleatum Bar	Light Liquid Paraffin & Salt of High Molecular Weight Fatty Acids	Anti-pruritic & soothing	Contact dermatitis, Atopic eczema, Seborrheic dermatitis, Ichthyosis related dry skin conditions
	Oleatum Cream	Light Liquid Paraffin & White Soft Paraffin	Anti-pruritic & soothing	Dry skin disorders, eczema, xerosis, ichthyosis
	Oleatum Emollient	Light Liquid Paraffin	Anti-pruritic & soothing	Treatment of contact dermatitis, atopic dermatitis, seborrheic dermatitis and related dry skin conditions.
	SpectraBAN 10	Microfina Zinc Oxide Coated	Sunscreen preparation	As a protective sun block in all patients who require a maximum protection sunscreen, including those with photodermatoses and reduced skin pigmentation, Melasma Freckles. In other sun sensitive skins resulting from sun abrasion and chemical peeling
	SpectraBAN ED	Microfina Zinc Oxide, Octyl Methoxycinnamate, 4-Methylbenzylidene Camphor, Avobenzone	Sunscreen preparation	As a protective sun block in all patients who require a maximum protection sunscreen, including those with photodermatoses and reduced skin pigmentation, Melasma Freckles. In other sun sensitive skins resulting from sun abrasion and chemical peeling
	Physagel	Coprylic/Capric Triglyceride	Anti-pruritic & Soothing	Dry skin disorders, eczema, xerosis, ichthyosis
	Saeid Bar	Precipitated Sulphur, Salicylic Acid	Psoresis, Seborrheea, Ichthyosis	Medicated bar for tinea versicolor Ringworm Athletes foot, Mycosis Acne

PRODUCT DETAILS: CONSUMER HEALTHCARE



Horlicks

Horlicks is leading the Health Food drink category being a trusted partner of family for ages. Horlicks provides balanced nutrition including 23 vital nutrients (macronutrients, vitamins and minerals) that are important for internal strength and nourishment. It has nutriabsorb science and is clinically proven to make kids Taller, Stronger and Sharper. Moreover, it improves 5 signs of growth. It's a crafted combination of milk, malted barley and wheat, available in Original and Chocolate Flavours.

Junior Horlicks

Junior Horlicks is a specialized Health Food Drink for younger kids of 5+. Junior Horlicks contains 20 vital micronutrients known to be essential for optimal physical growth and development. And it has DHA, which, with other micronutrients, are known to contribute to normal brain development and function of the older pre-schooler.

Women's Horlicks

Women's Horlicks is a tailor-made nutrition supplement for the women of today. It contains a unique combination of HemoCal™ nutrients important for healthy blood and bones.

Mother's Horlicks

Mother's Horlicks is a superior nutritional supplement for pregnant and breastfeeding mothers. Specially designed with a unique combination of 26 essential nutrients known to help fill gaps in dietary intakes, improve birth weight of infant and improve the quality and quantity of breast milk. It also has choline which is important for the brain development of the foetus.

Horlicks Lite

Horlicks Lite provides a unique combination of essential micronutrients important for strength and stamina. It also contains anti-oxidants essential to reduce oxidative stress and help manage fatigue. Horlicks Lite is also low fat and has zero cholesterol.





Glaxose D

Glucose in Glaxose D (Glucose Powder, Dextrose Monohydrate 100%) provides consumer with instant energy and helps them to recharge instantly. As source of instant energy, Glaxose can be consumed during/after sports, while recovering, during excessive heat, in iftar or even in Monsoon and winter seasons – whenever there is need for instant energy. Also available in Orange Flavour.

- * Women's Horlicks in addition to daily diet can help bridge micronutrient gaps.
- * As per Nutritive value of Bangladeshi Foods, 1glass= 200ml



Boost

Boost – one of the major Health Food Drink from GSK, is also the only Health Food Drink, in Bangladesh, to be scientifically proven to increase stamina by 3 times more*. It is enriched with ENVITA NUTRIENTS – a unique scientific combination of essential vitamins and minerals that significantly improve the levels of key nutrients, important for energy metabolism. That's why, over the years, Boost has been the choice of kids who want to perform better in sports and other competitions.



Sensodyne

Sensodyne is the World's Number 1 Sensitivity toothpaste that gives clinically proven relief and daily protection for sensitivity.

PRODUCT INFORMATION



As a more than a century old R&D pharmaceutical and healthcare company, GSK's product portfolio spreads across key therapy areas benefiting millions of lives across the globe. In Bangladesh, GSK has strong presence in some key therapeutic areas. With strong trust & support from doctors and consumers, these important product groups are also increasing in sales. A brief is given here.

Vaccines



Do more. Feel better. Live longer-motto of GSK. With this commitment, today, our vaccines continue to tackle some of the world's most outrageous diseases, including Pneumococcal diseases, Diphtheria, Tetanus, Acellular pertussis, Poliomyelitis, Meningitis, Hepatitis A, Hepatitis B, Rotavirus, Influenza and Cervical Cancer. GSK discovers preventive medicines and ensures its access door to door. As a result, we offer a wide range of vaccines for the life span of a human being-from infants to adults. GSK Bangladesh is a pioneer in raising awareness and supplying vaccines for vaccine preventable diseases in the country. We offer the most comprehensive vaccination solutions beginning from Hepatitis A & Hepatitis B, Cervical Cancer, Chickenpox, Measles, Mumps, Rubella, Meningitis, Pneumonia and others. Rotarix™ the Rota virus vaccine is a breakthrough to serve million babies from rotaviral diarrhoea. Synflorix™ addition in the vaccine portfolio is a revolution for prevention of pneumonia which is the number one killer in children. Cervarix™ is the only cancer preventable vaccine in the world and 9 years and onwards females could be benefited from this vaccine. Infanrix® Hexa is another valuable vaccine for the infants. Our acquisition of Novartis vaccines (excluding influenza vaccines) in the early 2018 has enriched our vaccines portfolio.



Antibiotics

For many years, Antibiotics from GSK has held a very strong market share. We possess some research brands like Ceporex™, Zinnat™. Its heritage and continual clinical changes have helped in overcoming the challenges thrown by the emergence of new diseases and the ingenuity of the micro organisms in evolving new mechanism. Addition of Coxime™ has been a milestone in GSK's antibiotic area and is now serving a great number of patients. From the age old Ceporex™ to the relatively new Zinnat™ etc., brands of GSK, antibiotics are prescribed by the doctors to save lives every day.



Respiratory Portfolio

Asthma and Chronic Obstructive Pulmonary Disease (COPD) are the main two diseases where GSK has strong footing. Numbers of asthma patients are gradually increasing in our country but there is a huge unmet need of treatment available in our country. GSK being the pioneer in asthma and COPD therapy holds a strong commitment to do more, feel better and live longer. Seretide™ delivers asthma control and shows remarkable benefit in patient compliance. The revolutionary TORCH study on Seretide™ brings hope to the millions of COPD sufferers of the country. The launch of Ventolin™ Evohaler is another breakthrough to introduce non CFC treatment in our country. In allergic rhinitis treatment, GSK has a long heritage. Beconase™ and Flixonase™ nasal spray are the gold standard therapy for rhinitis. Avamys, the breakthrough innovation, is considered a revolution in allergic rhinitis treatment and really makes a difference. Pirton is still considered the preferred choice in antihistaminic market.



Dermatologicals

With the introduction of Stiefel, a GSK Company, our dermatological products now range from prescription, aesthetic and consumer healthcare dermatology products. Now, with the addition of Stiefel's robust product portfolio, skin health expertise, we are a stronger, more competitive, and an undeniable driving force in dermatology. Global brands like Isotrex™, Brevoxyl™ and Acne Aid Bar™ for acne treatment and Lacticare™ and Dilatum™ for dry skin treatments, are now part of GSK Bangladesh portfolio. Stiefel's recent introduction of four new products in three core areas of Skin care has further enhanced the portfolio. The new products are Acne Aid Liquid Cleanser for acne and pimple prone skin, Physiogel Cream & Lotion for dry and sensitive skin and SpectraBAN 60 Sun Black Cream for all types of skin.

Besides these therapeutic areas we continue to provide modern management of all types of eczema, psoriasis, bacterial and fungal infections as well as scabies with our international and local brands. Dermovate™, Betnovet™, Cutivate™ Dermavate™, Betnovate™, Fluvin™, Grisovin™ are treated as the reliable solutions in derma care.

DETAILS OF BUSINESS ACTIVITIES

Vaccines Activities

Synflorix inclusion in EPI

The introduction of Synflorix in Bangladesh EPI program is a great milestone for GSK Bangladesh. The launching event was held at Dhaka Shishu (children) hospital on Saturday, 21st March, 2015. Now, every newborn baby in Bangladesh will be prevented from pneumococcal diseases with a GSK vaccine. From GSK, Dr. Anil Datta, Vice President, Clinical & Medical Affairs (EM) from GSK Vaccines, Belgium and GM of Bangladesh M. Azizul Huq along with other GSK staff were present in the programme. A number of distinguished dignitaries including Honourable Health Minister of People's Republic of Bangladesh, State Minister of Health, Secretary MoH, Director General Health, National Professor MR Khan and many others were present in the programme.



Vaccine Initiation Workshop (VIW)

Vaccine initiation workshop (VIW) was an outstanding experience for GSK Bangladesh which was organised on March 30th – April 2nd 2015 by Vaccine Academy team for building knowledge, skill & capabilities to support vaccines business growth. Participants from Cambodia and Myanmar attended this meeting.



Programme on Vaccinology

GSK Bangladesh Ltd., organised an immense programme "Programme on Vaccinology", with BPA on 9th May, 2015. GSK internal speakers from abroad and local speakers provided update information on different topics to the doctors. Dr. Shailesh Mehta-Medical Lead, Supranationals and GAVI, GSK Vaccines, Belgium; Dr. Sanjay Gandhi-Area Medical Leader, South Asia; Dr. Debashish Saha-Sr Manager, Epidemiology, GSK Vaccines, Belgium; Dr. Sanjoy Datta-Vice President, Vaccines Value and Health Sciences, GSK Vaccines, Asia Pacific & North Asia & Dr. Kinga Meszaros-Sr. Manager-HE, Emerging Markets, GSK Vaccines, Belgium from abroad and Dr. K. Zaman and Dr. Ruhul Amin from Bangladesh were present as speakers in the event. Through this event, Healthcare professionals of Bangladesh got a scope to update their knowledge and understanding level on different vaccine preventable diseases.



Cervical Cancer: An Update

To facilitate and update scientific information of Gynaecologists, 2 programmes named as "Cervical Cancer: An Update" was organised in Rangpur and Dinajpur on 26th & 27th July, 2015. The speaker, Dr. Sanjay Gandhi shared scientific information to HCPs regarding Cervical Cancer.



Prevention of Cervical cancer and Rotaviral Diarrhoea

On 9th and 10th May, 2015 GSK organised two events on vaccines separately in Dhaka OGSB and with OGSB & BPA Chittagong. Dr. Shailesh, Dr. Sanjoy Gandhi, Dr. Sanjoy datta, Dr. Kinza and Dr. Debasish were present as speakers in both the events.

Scientific meeting on "Acne Management" 2015

Three meetings with different groups of HCPs (Dermatologists) were held. First meeting was in Chittagong, 26th May. Total number of HCPs was 43. Second meeting was in Dhaka, 27th May and the total number of HCPs were 50. Third meeting was held on 29th May in Dhaka and the number of HCPs was 48. All the three meetings were successful and all participants appreciated the initiative.

Bernadette B. Arcilla, MD, FPDS, FAAD (Assistant Professor Section of Dermatology University of the East Ramon Magsaysay, Memorial Medical Center, Medical Director, GSK Philippines) was the internal GSK speaker.

The focus area for the meeting was "Acne Treatment: Given acne patients a better life". Focus product was "DUAC™".

Target group of HCPs were Dermatologists (Chittagong Medical, Skin VD, BSMMU, BIRDEM, National Skin center, DMC, HFRCMH, SSMCH, LABAD, Sarwardi).

Live Global Webinar on Adult Asthma & COPD Management

We are delighted to inform that on November 02, 2015, Respiratory portfolio of GSK Bangladesh successfully arranged a live and interactive Webinar on Adult Asthma and COPD Management, comprising a mixture of educational lectures, case studies, and question & answer sessions. The timing of this session was from 02:00PM-03:30PM (Local Bangladesh Time).

Some Wonderful Memories from the Event



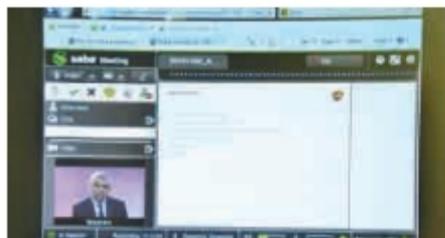
Dr. Paul Jones, Professor of Respiratory Medicine at St. George's, University of London in London, UK and honorary consultant physician, St. George's University Hospitals NHS Foundation Trust, discussed the goals of COPD management with a specific focus on the role of ICS/LABA in treating COPD.

This was followed by a presentation by Professor Andrew Greening, who is trained at Edinburgh University Medical School.

He presented on the management of adult asthma, including a review of data on the use of ICS/LABA in achieving asthma control. Dr. Raj Sharma, Scientific Director in the Respiratory Franchise at GSK, based at Stockley Park near London in the UK, concluded the session with an overview of inhaler choices available in the treatment of asthma and COPD.



A webinar session was broadcasted this webinar session in nine different venues across the country and almost 500 HCPs attended this webinar session at a time.



Cx Marketing Activities 2015

Horlicks Becomes The 3rd Best Brand In Bangladesh



Horlicks has become the 3rd Most Loved Brand of Bangladesh in 2015 and the No. 1 Brand in the Health Food Drink- RTD Category. Bangladesh Brand Forum (BBF) in collaboration with Millward Brown conducted the Study to determine the rankings of the Best Brands in Bangladesh. The ranking is based on an extensive nationwide survey of around 4000 consumers in metro, urban and rural areas. The results are measured on parameters of being Meaningful, on Brand

Salience, and being Different. This is a prestigious achievement for GSK Bangladesh. The brand has progressively elevated every year in its ranking, compared to other FMCG brands.

Horlicks also reached out to 2 lac Children pan Bangladesh, with Nutritional Awareness through "Horlicks Nutrition Carnival". Besides getting to taste delicious Horlicks, the children, received knowledge on basic food and nutrition. Since the awareness level among the mass population on Food and Nutrition is low, Horlicks aimed at enhancing the knowledge on these among children, from an early age, so that they can take informed decisions on food habits for a healthy living.

With this aim, and keeping the malnourishment rate of Bangladesh in consideration, a rural campaign was also run throughout the country, educating 1.5 lac children on food and nutrition. Furthermore, to delight the consumers with a fresh, new look, after 4 years, Horlicks came with new Packaging and design in April, 2015. A combination of these activities will help further strengthen Brand Loyalty among the consumers

Women's Horlicks Bone Health Experience Zone

To enhance awareness among women regarding bone health and establishing it's association with Women's Horlicks, Women's Horlicks launched "Bone Health Experience Zone"- a campaign that created a positive Word of Mouth for the brand through both Digital Media and On ground Activation. Women's Horlicks initiated the idea of engaging consumers through one on one communication regarding bone health and educating women on this.



Although 1 in 3 women in Bangladesh suffer from Low bone density, the concept of taking care of bone health is still at a very nascent stage and most women remain unaware of it until symptoms start to show, by which time, it is already too late. The campaign received accolades from women for this novel initiative and has contributed in raising awareness on



the issue. There has been massive Engagement in the Digital Space as well, with an increase in the user base in Social Media by a whopping 270%.



Junior Horlicks Brain Development Campaign

In continuation of the new science based communication of Physical and Mental Development, a new campaign with the core message of "Junior Horlicks as part of daily diet helps in optimal physical and mental growth" was launched. The new concept was triggered through both electronic and print media and received a very good response among consumers which translated into higher consideration scores. Moreover, to enhance loyalty, a new Pack design was launched, which was liked by mothers and kids alike.

Glaxose D new Campaign Instant Energy

Glaxose-D campaign for year 2015 was created keeping in mind people who involve in physical labour. The strategy was to show how Glaxose-D gives instant energy and helps them to continue working outdoor. The campaign aired from March 2015. The impact on TG after the campaign ran was good and the 10sec tvc format was also clutter-breaking in media.

New Mother's Horlicks - More Science, Better Taste, More Attractive

One of the iconic brands of GSK CH BD- Mother's Horlicks has been relaunched in August 2014 with a tastier formulation in French Vanilla flavour and a new attractive pack, depicting the hi- science benefits. Since the relaunch of the brand it has been well appreciated by Doctors, Consumers and Retailers and this resulted in a phenomenal growth in 2015, breaking all its previous records. Enhanced Consumers' trust in the Brand, strengthened efforts through Expert Marketing and Better Visibility and distribution, has been contributors in the success. With this momentum in place, Mother's Horlicks is expected to reach even greater heights in 2016.

Sensodyne: the Power Brand

Sensodyne, the only Power brand in the portfolio, has performed well in 2015. It has reached a market share of 3% in the toothpaste market and is well ahead of its nearest competitor. The inputs that have gone behind such results has been the Campaign in local vernacular and improved distribution and visibility in the market. The franchise is offered as a complete solution with the toothbrush along with the toothpaste. In the plan period 2016, Sensodyne is poised to double its market share and reach Expert support of dentists.

GMS Chittagong, Bangladesh

The GMS Chittagong site has been on the path of achieving manufacturing excellence by incorporating new and innovative methods, technology and enhancement of operational capabilities. During 2015 Chittagong site has delivered the commercial expectation of delivering the products by maintaining Safety and Quality expectations.

The journey of GPS i.e., GSK Production System started in 2014 at Chittagong site and continues its momentum in 2015. The GPS is a set of standard ways of working to identify and eliminate the root cause of Accidents, Defects and Waste and thereby delivering Zero Accident, Zero Defects and Zero Waste. Six basic standards of GPS has already been initiated at site which resulted in Zero Accident status for site in 2015, Overall Equipment Efficiency (OEE) of our packaging lines is in increasing trend.

Capability Building was one of the key priorities in 2015 for Chittagong Site for ensuring Safety, Product Quality and also to meet the compliance at every stage of the operation to face the regulatory challenges. A number of internal and external capability building programs were conducted at site. Two modules namely License to Operate and GSK Production System (GPS) has been implemented for all employees under the My Supply Chain Academy. Site Leaders had been trained on face to face training of Leading Delivery, Leading EHS and First Line Leaders Experience (FLE).



Investing in People remains key priority for site. During 2015, a total of 65 people have been inducted into site operations. Site successfully completed the Engineering audits in 2015 and scored 67% under TP13 assessment. All the improvement initiatives have resulted site to remain in High Control Status for both Quality Risk Model and EHS Risk model during Q4, 2015.

Medical: Building Momentum Towards Success

Upholding the values of integrity, transparency, respect for people & patient focus at heart, Medical team initiated & drove activities for the betterment of patient care aligned with GSK's core objective in order to establish the highest level of work ethics & to function as a partner across departments and achieve organisational goal. 2015 was the year when medical team reinforced its commitment to establish medical commercial partnership to facilitate execution of strategic initiatives in line with the business plan.



New HCP engagement model requires new ways of thinking, new capabilities, and new ways of doing business. To support the new model, the written standards impacted by the HCP Engagement Initiative are being revised. In order to be successful, resource building has been completed and the effective plans have been implemented for capability building of the medics, standardising ways of working, and partnering across the organisation. New business model was launched with which HCPs were not familiar. The challenge was to show them the value of our new initiatives & the innovative approaches. APAC inspiration webinar is the first experience with digital channel which has been appreciated as innovative approach by the HCP. A very positive written feedback has been received from the HCP as well through which they ranked it as an excellent endeavour and agreed that it would immensely help them in their day to day practice and called for the continuation of similar programmes in future.

Strengthen Internal Control Framework

The effort for strengthening the Internal Control Framework continued by bringing discipline in risk management, medical governance & ensuring human safety. The adherence of

cross functional team with the GSK standards and requirements including updated standards has been enhanced through face to face discussion, training and email communication. Excellence in meeting record management has been ensured which facilitated the work of cross functional team significantly to organize HCP engagement activities. Quarterly Management Monitoring (MM) executed as per the plan and the reports are well shared with area medical. Promotional activity has always been in scope for regular ECHO IBM activity. No major concern raised from both MM and IBM. Significant discipline and improvement has been brought in G&D process. Activities of medical functions were tested during GM certification and adequate controls were found in place. Eventually the risk management habit of medical function has become a role model.

Success Stories of Medical-Commercial Partnership

Respiratory

Medico-marketing initiatives marked strong contribution from medical team for the respiratory portfolio. There were two congresses, e.g. WONCA South Asia Regional Conference, 2nd International Conference on Asthma and Chest Disease where there were satellite Symposia has been organised. Also in collaboration with commercial team a master class on asthma organised. A global webinar on "Adult asthma & COPD" has been organised as well which was the first webinar for respiratory portfolio in Bangladesh.

Dermatology

There was a series of programmes on acne management organised in Dhaka and Chittagong conducted by GSK expert from above country. The impressive deliberation on "Acne Management" has set an example of 'Working across boundaries' to deliver patient focus messaging that has been appraised by dermatologists from every corner of Dhaka and Chittagong. The global webinar on "Optimising acne patient care in daily clinical practice" has been organised as a part of catch up session of World congress of Dermatology through which evidence-based treatment options and real-life case studies have been highlighted.

Anti-infective

Outstanding initiatives have been taken as patient focus initiative to overcome the challenges for anti-infective portfolio. APAC inspiration Webinar on "Management of Community acquired respiratory tract infections: Surveillance, clinical practice and antibiotic prescribing guidelines" - is an example of cross functional team work to achieve a single goal to the success which has been organised in 10 venues through which approximately 400 doctors were covered. This is the first initiative of new way of engaging with HCPs through multichannel media which is as well the example of culture change from the way that we have previously engaged with HCPs.



An evidence based campaign for Zinnat which included several approaches such as proactive product presentation, developing effective communication tools including training programme have been initiated to establish Zinnat as a competent molecule to combat against required pathogens without combining with clavulanic acid. The initiatives brought the confidence among sales team and increased their capabilities to meet the requirements of HCPs. The support provided for the different teams has demonstrated immense team work and co-operation resulting in effective cross boundary knowledge enhancement.

Vaccine

A great team effort brings Synflorix protection to 3 million babies in Bangladesh. On the 21st of March, 2015, the formal launch of Synflorix was held which was critical as well as challenging. However, a comprehensive team work was the key driver to achieve this success. Several years of hard work and engagement was at stake due to supply issues. But we remained fully transparent and engaged with the EPI. The stakeholders responded with trust in GSK and confidence on Synflorix as the most appropriate choice for Bangladeshi newborns to wait for supplies. In the end, it was about great team-work at every level and succeeded in protecting millions of babies against pneumococcal disease who needed it most.

Engagement with Health Care Organisation

Medical team along with vaccine commercial team has continuously strived towards strengthening the message of improving overall immunisation coverage across the country, and has thus been working in a strategic partnership with the key healthcare organisation for the smooth execution of Immunisation awareness activities targeted to pediatricians, gynaecologists, other healthcare professionals and the general public. In line with this endeavour, HCPs were engaged through several speaker torus and satellite symposia in congresses of Obstetrical and Gynecological Society (OGSB), Bangladesh Society for Colposcopy and Cervical Pathology (BDSCCP) and Bangladesh Neonatal Forum (BNF).

Cross Boundary Knowledge Enhancing Sessions: A series of academic sessions have been organised on 'Vaccinology' for HCPs, bringing in Medical experts from GSK Emerging Markets and Asia-Pacific, aimed at cross boundary integration of knowledge and experiences. These vaccinology programmes for HCPs aim to reduce the burden of vaccine preventable diseases in Bangladesh as well as helping HCPs make better judgment calls while managing vaccine preventable diseases and enhancing HCP engagement in a way that highlights our commitment in ensuring HCPs having access to updated information. HCPs from two societies, Bangladesh Paediatric Association (BPA) and Obstetrical and Gynaecological Society of Bangladesh (OGSB), who work closely with Paediatric infectious diseases and Women Health respectively, were the

participants. In 3 different settings, around 150 pediatricians and gynaecologists participated in these sessions. After the presentations took place, most of the participants shared their different opinions and experiences on the discussed subjects leading to some effective and interactive sessions. In addition to the internal experts, there were local external experts who underlined the importance of immunisation for vaccine preventable diseases.

Training on New Code of Practice

New code of practice and SE has been rolled out by engaging commercial and compliance lead. It has been ensured that cross functional teams were already aware of the provisions of new code, the changes in the code & understand their responsibilities in light of the new code.

Capability Building of The Sales Team

In collaboration with the commercial team the training programme for sales team on key therapeutic brands has been initiated and continued to enhance the capability and confidence as well as sound product knowledge of sales team. Additional training on meeting management and governance support has been organised to encourage the team to visualise the opportunity to organise scientific events which eventually have been evident in commercial practice.

Corporate Social Responsibility

Our continuous strive at GSK remains to be creating access to quality healthcare in the communities we work at. To create access and facilitate healthcare service delivery, GSK has taken an initiative to re-invest 20% of its profits to building capacity of the Community Health Workers (CHWs) at the hard to reach areas of the country. The projects under this initiative are described below

"GSK-CARE Public-Private Partnership initiatives to address health work force issues at remote areas"

GSK-CARE Community Health Worker Initiative is an innovative public private partnership (PPP) to address the human resource and health services gap for 1.4 million people in 50 unions of 10 underserved sub districts of remote Sunamganj district. This is an ongoing initiative since December 2012 and funded by GlaxoSmithKline in Bangladesh as part of our 20% profit reinvestment programme. The programme will deliver consistent, high quality and sustainable maternal, newborn and child healthcare by developing Private Community Skilled Birth Attendants (P-CSBAs) and Community Health Workers (CHWs) and strengthening community health systems. The programme also actively engages local governments (Union Parishad) to support the P-CSBAs, and facilitates service access to poor women and children. The initiative has demonstrated



impressive results in last 3 years and as a result Ministry of Health and Family Welfare has requested to expand the reach to all 87 unions of 11 sub districts from December 2015. To mark the expansion, in September 2015, different launch events were organized at Dhaka and Sunamganj. At Dhaka, Secretary of Ministry of Health and Family welfare (MOHFW) Syed Monjurul Islam, Vice President of GSK Ramil Burden and CEO of CARE-UK Laurie Lee attended the event along with other senior government, GSK, CARE officials and a UKAID representative. The formal launching event at Sunamganj was participated by Joint Secretary of HRM unit of MOHFW Dr. Md. Shajedul Hasan, Vice President of GSK Ramil Burden, CEO of CARE-UK Laurie Lee, Senior Assistant Chief-HRM unit, MOHFW Md. Mahfuzur Rahman, Deputy Secretary of HRM unit of MOHFW Jesmin Nahar, AD-DGFP Dr. Rezaul Karim, Global Community Partnerships Manager of GSK Daryl Burnaby with other government, CARE & GSK colleagues. The event started with the a video documentary 'a new hope in haor basin', which screened the story of the initiative's journey and was followed by 'testimony of success' shared by an UH-FPO, an UPFO, a local government representative (UP chairman) and a P-CSBA. The Civil Surgeon Dr. Abdul Hakim, Deputy Commissioner Sk. Rafiqul Islam, and Deputy Director - Family Planning Md. Mozammel Haque also shared their experiences and suggestions. Champa Rani, a P-CSBA, said that 'Being a P-CSBA to fulfill my long term dream to serve my own community and family. I am proud that I can now support my family expenses especially contributing to my children's education and is valued'. The P-CSBAs provided about 2,88,346 skilled health services during 26 months. As of today, 14,553 births were attended by P-CSBAs; 5,909 pregnant women and new born were referred by P-CSBAs for accessing lifesaving services; 54,289 Essential Newborn Care (ENC) and 29,090 child Care (C-IMCI) services were provided.

GSK-Friendship M-Health Project

The 5 year long GSK Friendship M-Health Project partners a local NGO called Friendship.

GSK-Friendship m Health is enabling medical information

exchange through a mobile phone at a distance with the ultimate goal of improving community health care. It provides diagnostics and cure or the course of action to be taken for the cure. The project will enable 150 specialised FCMs to provide basic minimum package of quality health care, which is manageable at that level and also affordable for the communities when the NGOs and donors are not there for subsidising the health care costs. Each char has up to 3 FCMs depending on the number of household of the char, with each FCM covering 250-300 households.

Health Access and Linkage Opportunities for Workers (HALOW)

HALOW is a jointly funded project of MARKS & SPENCER and GlaxoSmithKline. It is a year-long project that was initiated on 1st April, 2015 and will continue till 31st March, 2016. The main aim of this project is to cater improved health care services to RMG workers and increase their awareness and understanding of health issues, especially the female workers at both the factory and community levels. The key areas HALOW wishes to address and develop are health and nutrition behaviour; health care access; preventive and curative service uptake; community mobilisation and service linkage for RMG workers including their families and create a platform for dealing with underlying health and nutritional issues.

To materialise the project's objectives, the following actions were taken:

- 4 Community Support Systems (CmSS) were developed in the targeted communities.
- Core project teams were established at two factories (Interstoff and Interfab) to support and coordinate all project activities, especially at the factory level.
- Linkages with local government and NGO health service providers were formed, bringing satellite clinics and provision of quality health related consumables to the workers on-site.
- Health camps were held at both the factories
- Disease awareness sessions were held for 63 factory management members.



As of today, the project has directly benefited 7,700 factory workers and 1500 (est.) community members while indirectly benefitting another 5000 (est.). The project is being implemented by Care, Bangladesh.

GSK-CARE RMG Workers Health initiatives

This is a GlaxoSmithKline (GSK) funded three year-long project (2015-2018) focussed on RMG workers at Jeacon Garments Ltd., Elegance Orientale Ltd. and Panache Knitted Creations Ltd. The project involves establishing a sustainable and comprehensive SRH and nutrition programme delivery model that can be replicated to ensure consistent access and availability of health and nutrition services and information related to health and GBV emergency and awareness to garment workers and their families.

The main objectives of the project are to:

- Promote multi-sectoral partnership for developing a sustainable health service delivery model for improving SRH and Nutritional status of Ready Made Garment (RMG) workers.
- Enhance management capacity of partners and relevant stakeholders.
- Improve health, nutritional and women empowerment awareness.
- Provide 24-hr essential health and nutritional services by qualified health providers to targeted population.
- Ensure access to affordable comprehensive healthcare.
- Determine the effect of micronutrient deficiencies and anaemia on absenteeism and productivity of the female garments workers through conducting Operational Research.

To date, the project has directly benefited 5,700 workers and 7,000 community members while the indirect beneficiaries number around 15,923.

GSK icddr,b Health System Strengthening Programme

In Mid July, 2015 the GSK-icddr, bB-HSS program came to a completion of its 2 years project. The project implemented clinical governance in the 3 selected hospitals training numerous Health Care Professionals on Infection Management. Following the success of the project in the pilot phase it is being expanded for 3 yrs from August 2015 at Sunamganj area in 6 hospitals, thus aligning with the GSK CARE CHW initiative in the same locality.

Human Resources

GlaxoSmithKline Bangladesh (GSK) in Bangladesh employs more than 900 people directly. GSK has been present in this country for more than 60 years and we are one of the key employers in both Pharmaceuticals and FMCG sector. We are driven by the passion to help people to do more, feel better and live longer.



Employee Development & Engagement Strategy

Strengthening the employer-employee relationship is the strategic role of Human Resources. However, there's more than meets the eye to doing this. We formulate workforce strategy and determine the functional processes necessary to meet organizational goals.

Our key focus is to ensure GSK to be an employer of choice and we are investing significantly in our talent development at every level. It is imperative to ensure right resources are recruited for the right job and employee development strategy is in place for sustainable result.

We take a global view of talent and strategic capabilities, looking at the quality, depth and breadth of our talent across the world. We strive to have good succession plans in place for critical positions across the organisation. We have productive initiatives in place to recruit specialist and leadership talent, and we maintain a robust leadership strategy to identify and develop our highly skilled leadership group. We offer all employees a range of learning opportunities and tailored development programmes.

Our performance and development planning process means employees have business-aligned objectives and behavioural goals. Reward systems are focused on promoting high performance and helping to attract and retain the best people. Performance-based pay, bonuses and share-based equity plans align employee interests with business targets.

As our business evolves, there will be changes that affect employees. We remain committed to consulting these changes via a number of internal consultation forums.

People productivity

GSK continues to maintain a very satisfactory position in terms of people productivity. This is confirmed by the following indicators:

Staff Strength	2015	2014
Executive Management	5	5
Senior Management	28	20
Mid Management	140	126
Junior Management	543	474
Non Management	205	197
Total	921	822

HR also plays a key role in human sustainability, working closely with the Environment, Health and Safety group to support employees in a range of ways, from coaching individuals, occupational health and other well-being services to cutting edge programmes.

Lighten up across the Pharmaceutical Business

In 2015, the Company carried out an extensive 'Lighten Up' exercise. As part of this companywide records management program (in Pharmaceutical business), all documents were appropriately labeled, stored, transferred and disposed as per the Company Records Retention Schedule. There was a lot of enthusiasm and energy across the organization as such a program was done after a long gap.



With the completion of 'Lighten Up', all company personnel are up-to-date on records management guidelines and all company documents are aligned to the guideline.



Finance & IT (FIT) Conference

The annual FIT Conference was held in light of the new FIT Value Statement: 'We bring velocity and transparency in supporting decisions, embedding governance, facilitating transactions and leveraging technology'. At the conference, the Finance and IT teams realigned their strategies as per the company strategy and identified the opportunities to bring in velocity and innovations, while ensuring controls. The session concluded on a high note with renewed team spirit and drives to support the business momentum.





CORPORATE GOVERNANCE FRAMEWORK



REPORT OF CORPORATE GOVERNANCE



Company's Philosophy of Governance

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligation to the stakeholders, and is guided by a strong emphasis of transparency, accountability and integrity. For several years, the Company has adopted a codified Corporate Governance Charter, which is in line with the best practice, as well as meets the relevant legal and regulatory requirements. All employees are bound by a code of conduct that sets forth the Company's policies on all important issues.

Corporate Governance Charter

The Board of Directors has adopted a Corporate Governance Charter which has been complied with throughout the year.

The purpose of this charter is to codify the Company's system of corporate governance so as to assist the top management of the Company in the efficient conduct of its business and in meeting its obligations to the shareholders.

The Charter Specifics

- The relationship with other Group Companies
- The role of the Board of Directors
- Responsibilities of the Managing Director
- Responsibilities of the Finance Director
- Responsibilities of the Company Secretary
- Important matters requiring the prior approval of the GlaxoSmithKline plc board or its committees
- Matters requiring prior approval of group central functions
- Important matters requiring approval of the Company's Board
- Control of expenditure
- Professional advisor

The Board

The Board consists of a non-executive Chairman, four executive directors and three non-executive directors. There is a clear division of responsibilities between the Chairman's functions and that of Managing Director. The Chairman is mainly responsible for chairing the Board Meeting as well as the Annual General Meeting. On the other hand, the Managing Director is responsible for implementing and coordinating the company's corporate and commercial programmes to achieve its business objectives. All directors have full and timely access to all relevant information and independent professional advice.

Role of the Board

The Board is responsible for the strategic direction, policies and overall management of the Company. It ensures that the Company's policies and activities conform to Mission, Key goals, Core values, Code of Conduct, Key strategies, Policies and Practices asset out in the statements of policies, safeguarding the assets of the Company and establishing an adequate as well as effective system of internal control.

The Board has authorized the formation of a number of committees in order to implement the stated policies and activities. The committees are: The Committee of Directors, Pension Fund Trustees; Provident Fund Trustees; and Company Executive Committee.

Frequency of Meetings

The board meets at least once a quarter. The number of meetings that were held during the financial year ended 31st December, 2015 was 5.

Management and Conduct

The Board supports good Corporate Governance based on generally accepted framework. Compliance with statutes governing the industry is of great importance to maintain the reputation of the Company. Key staff have been appointed and given specific responsibility to ensure compliance.

Independence in decision without conflict of interest is considered important in discharging stewardship function of the Board of Directors. The company therefore follows a stringent policy which prohibits any financial accommodation to directors. Also, the directors are required to make a declaration of their interest in any contract with the Company. These measures ensure that any conflict of interest does not arise.

Audit Committee

The Audit Committee reviews the financial and internal reporting process, the system of internal controls, the management of risks, and the external and internal audit process. The committee also proposes to shareholders the appointment of the external auditors and is directly responsible for their remuneration and oversight of their work. The majority of the members of the audit committee are non-executive directors of the Company, headed by a non-executive independent director.

GSK RISK MANAGEMENT

We are committed to conducting business in accordance with all applicable laws and regulations and in a manner that is consistent with our values. We have an established risk management framework to address operational, legal and compliance risk; both those inherent to the nature of our business and those specific to our strategic ambitions. Risk management, coupled with our internal control framework help us maintain our focus on product quality, safety and sustainability.

Company policies, standards and internal controls, together with our company values underpin our approach to risk management. We are committed to being a responsible, values-based business and our leaders are responsible for embedding this into our culture, decision making and how we work. Ensuring product quality, safety and sustainability are fundamental to our business model.

At GSK Bangladesh, Risk is defined as "a potential event that creates uncertainty or could adversely affect the expected achievement of our business objectives". Our Risk Management is a 5 step process of proactively identifying, assessing and implementing appropriate risk treatment to manage risks. Risks are seldom avoided and without a certain level of appropriate risk taking, GSK is unable to create shareholder value.



Employees are accountable for working to established standards and for identifying and escalating encountered risks so that they can be appropriately managed. GSK Bangladesh has comprehensive learning programmes to ensure employees are suitably trained including mandatory training on the GSK Code of Conduct and Anti-Bribery and Corruption policies.

Overview of Risk Governance Forums



As an UK based organisation, the UK Corporate Governance Code requires companies to implement integrated risk management and internal controls that identify and manage significant risks that might have a material impact on its financial performance.

The GSK Bangladesh Board of Directors has delegated accountability to its Audit Committee for assessing the effectiveness of management controls for significant legal, operational or compliance risks facing the Group. External issues concerning corporate responsibility that could potentially have a serious impact on the reputation of GSK Bangladesh.

The Corporate Executive Team (CET) has operational accountability for maintaining effective management controls. Each year, CET reviews the risks facing the Group and agrees the Principal Risks that present a significant legal, operational or compliance risk to the Group. The CET also designate individuals responsible for developing and maintaining Enterprise Risk Strategies for certain Principal Risks that have a widespread impact across the Group.

Bangladesh business Units and Global Support Functions are responsible for executing corporate policies; ensuring robust internal control frameworks are being maintained and significant risks are adequately mitigated. Bangladesh Risk Management & Compliance Boards (RMCBs) exist within each Business Unit and Global Support Function to review and take action to ensure Principal Risks are being adequately addressed in line with applicable Enterprise Risk Strategies. Country Executive Boards (CEBs) provide a means for different GSK business units operating in the country to manage the Principal Risks, which impact more than one business unit, from a country perspective. CEBs should ensure country-specific risks are identified and addressed. Some of the Principal Risks have a cross-Group forum to oversee and help coordinate risk management and controls across the Group [e.g., GSK Bangladesh Quality Council for Product Quality, GSK Bangladesh Medical Governance Committee, GSK Bangladesh Pricing Committee and Procurement Committee].

Figure 1 : Governance structure of risk management



One Country Executive Board in GSK Bangladesh

We have identified an opportunity to ensure oversight and governance where there is more than one business or operating unit in a country. Country Executive Boards (CEB) is being established to discuss operational and legal risk. We believe this is a great forum to also discuss Compliance risks. CEB helps GSK Bangladesh to better realise efficiencies, coordinate implementation of priority programmes, build reputation and effectively manage communications with external stakeholders. The CEB is a forum to create opportunity and manage operational, legal and compliance risks for GSK.

In Bangladesh, the Board is chaired by the Managing Director, GSK Pharmaceuticals and the other members are the General Manager of GSK Consumer Healthcare; Site Director of Bangladesh Manufacturing site; respective Finance Directors; Head of Legal and distinguished representatives from the following functions of the company: Communications, HR, Regulatory, Medical, Compliance and IT.

The Board sits thrice a year to ensure oversight and strategic coordination between the different GSK business units and sites in Bangladesh and Manages GSK's Principal Risks and any Bangladesh specific risks, which impact more than one

business unit. It also formulates strategy, implements plans and monitors progress on joint enterprise initiatives e.g., sales compensation, recruitment and talent development and the global programme to evolve sales and marketing practices and monitors the external environment to inform strategy and identify environmental risk. The board also coordinates internal and external communications so we present one culture and voice externally for GSK Bangladesh; manages external stakeholders, e.g., government, media, regulatory more effectively and discusses and take actions on opportunities and issues of common interest across businesses while maintaining adequate oversight to facilitate the achievement of agreed solutions.



GSK Enterprise Risks

Each year, the Corporate Executive Team (CET) reviews the risks facing the Group and agrees on a list of most significant risks – referred to as Enterprise Risks – that require particular attention from a Group perspective, including those that could cause our actual results to differ materially from expected and historical results.

A summary of our Enterprise Risks is set out below to the right of the GSK Enterprise Risk List.

Enterprise Risk	Risk Definition
Patient safety	Failure to appropriately collect, review, follow up, or report adverse events from all potential sources, and to act on any relevant findings in a timely manner.
Intellectual Property	Failure to appropriately secure and protect intellectual property rights.
Product Quality	Failure to comply with current Good Manufacturing Practices or inadequate controls and governance of quality.
Financial Control and Reporting	Failure to comply with current tax law or incurring significant losses due to treasury activities; failure to report accurate financial information in compliance with accounting standards and applicable legislation; failure to maintain adequate governance and oversight over third-party relationships.
Anti-Bribery and Corruption	Failure to comply with applicable local and international ABAC legislation.
Commercialisation	Failure to execute business strategies, or manage competitive opportunities or threats effectively and in accordance with the letter and spirit of legal, industry and, or Company requirements.
Research Practices	Failure to adequately conduct ethical and sound pre-clinical and clinical research. In addition, failure to engage in scientific activities that are consistent with the letter and spirit of the law, industry, or the Group's requirements..
Environment, Health & Safety and Sustainability	Failure to manage EHSS risks in line with our objectives and policies and with relevant laws and regulations.
Information Protection	Failure to protect and maintain access to critical or sensitive computer systems or information.
Crisis and Continuity Management	Failure to deliver a continuous supply of compliant finished product; inability to recover and sustain critical operations, including key supply chains, following a disruption or to respond to a crisis incident in a timely manner.

INTERNAL CONTROL FRAMEWORK



We are committed to having effective risk management systems (including frameworks and processes), to ensure that the significant risks we face, have been appropriately identified, assessed, treated, monitored and reported. This is an integral part of good management practice and will help us to protect patient safety, people, the environment, company assets and reputation and also achieve our business objectives, safeguard shareholder investment and ensure we comply with legal requirements.

To make people Do More, Feel Better and Live Longer, we need to have great products that successfully meet the needs of patients and consumers throughout the world. However, to grow and sustain our business and to protect our reputation, we depend on the success of many **Business Activities**.

GSK Bangladesh internal control framework defines the essential elements expected of our compliance and risk management programmes. GSK gains competitive advantage when the controls required to mitigate risks are clearly defined and simple to implement. Our internal control framework drives:

- Common language
- Decrease in variability
- Reduction of failures in execution
- Reduction of rework
- Reduction of internal and external audit observations
- Improvements in the processes used to deliver products and services
- Confidence that risks are effectively managed

A fit-for-purpose internal control framework, in conjunction with embedding the GSK Values and our Speak-up Campaign, ensures that the GSK Principal Risks are actively and effectively controlled. The Enterprise Risk Strategies being developed for certain Principal Risks will also leverage the GSK Internal Control Framework when assessing the adequacy of existing control framework for their respective topic from an overall GSK perspective.

Control Frameworks enable us to develop our systems of internal control in a structured and effective way. They ensure that we operate within applicable legislation and enhance our ability to deliver our strategic aims and adapt to the evolving nature of our business environment. By deploying a common Control Framework across GSK, we achieve a level of clarity and confidence that all necessary aspects of internal control are adequately managed and facilitate effective oversight.



Key

- Individual Accountability
- Line Management Accountability with Compliance
- Business Management Accountability with Compliance
- Audit & Assurance

1. Enterprise Oversight

Risk and Oversight Committees

Because we are a large and complex business, we need to approach management oversight in an organised and systematic way. This ensures we can confirm that all relevant parts of the Control Framework are either up to standard, or identify areas that need improvement. We have a Risk Management Compliance Board. GSK Expectations provide clear statements of how all employees must perform their jobs and deliver their performance objectives in order to drive success. They represent guides for delivering effective business and personal performance. They are not a menu of specific performance objectives. The organisation is designed to provide clear accountability for planning, executing and controlling our business activities in order to meet our objectives.

- The Board of Directors delegates operational responsibility to senior management.
- Delegation ensures individual business activities are adequately defined and managed by people with the appropriate expertise.
- Delegation only occurs to the extent necessary to achieve our business objectives.
- For key areas of risk, duties are segregated in order to prevent inappropriate decision-making.
- Put in place an appropriate level of resource for the activity being undertaken.



As the first line of defense, the Business Activity is designed for success by taking account of key requirements such as standards, resources, capability or accountability. The Business Activity may also have certain in-process controls which ensure it delivers its desired output correctly the very first time. These activities, correctly executed each time, forms the basis of Management Assurance.

2. Risk Assessment

At GSK Bangladesh, Risk assessment is a pre-requisite for establishing a reference point for controls. It identifies all reasonable areas of scope and then assesses the impact and likelihood of potential risks. In turn, the Control Framework can provide focus on the greatest threats, while still providing a breadth of monitoring. Without a risk assessment activity, it is not possible to demonstrate whether the Control Framework has the correct focus. In acknowledgement of the pre-existence of controls, the controls pertaining to activities assessed as presenting a 'gross' risk should be used to determine a 'net' risk position. This aids determining whether enhancements to the control environment are required.

3. Written Standards

Written Standards are formal Company policies, standard operation procedures, and guidelines (collectively called 'control documents') that communicate the ideas, rules and expectations of GSK Bangladesh. Strong control documents can reduce risk, ensure accountability, and enforce compliance in business operations. Policy documents are strategic, high level, written statements that set out mandatory principles for business activities within GSK. They are supported by related standard operating procedures and guidance (mandatory procedures and standards and non-mandatory 'ways of working' guidelines) that show the practical 'how', 'what' and 'why' of implementing business activities dictated by policy.

4. Training

At GSK Bangladesh, all staff must operate competently in whatever activity they undertake. For each activity, the basic training requirements need to be identified. Key process controls should not be assigned to people who do not have the required training. Training may be simple first-time instructions or may require evidence of comprehension. For some activities, a professional qualification or specific experience may be required. People should be trained not just in what is not acceptable, but also how to identify and mitigate risks that arise when performing their role.

We ensure such training which is proportionate to control the risks associated with the business activity. Training programmes and materials are designed to take into account the skills, experience and knowledge of the audience. GSK retains adequate records of its training of employees. Participation in training programmes are made a condition of continued employment and failure to comply with mandatory training requirements result in disciplinary action. Adherence to the training requirements as well as other provisions of the Internal Control Framework is a factor in the annual evaluation of each employee. Training is periodically reviewed, especially following changes to relevant key controls.

5. Communication

The importance of the Control Framework needs to be effectively communicated so that everybody understands the importance of their role and how it contributes to the GSK Bangladesh wide framework. Managers need to be able to articulate to their teams the importance of each part of the framework in a relevant and engaging way aligned to our Values and encourage a Speak-up culture. Managers must also implement a process to receive complaints or questions and protect whistleblowers from retaliation.

We ensure regular communication of the importance and accountability for elements in the internal control framework. Where failure of control occur, the lessons learned are communicated to prevent re-occurrence.

The Speak-up Programme enables staff to confidentially raise concerns for investigation and provides communications forums for supporting both upward and downward communication through the organisation.

6. Management Monitoring

At GSK Bangladesh, local managers are accountable for the controls in their area. Self-inspection is an ongoing process of assessing that the controls are in place and in use. The self-inspection process may involve a workplace inspection, a checklist, a review of data or observation of tasks.

They are also responsible for ensuring that processes within this local team or office are being followed properly; are fit for purpose and are providing the expected degree of control. All staff members know what is expected of them. GSK Bangladesh management has a complete and up-to-date awareness of the state of control. The information should be used to continuously improve the control of the business activity.

7. Responding to Problems

Failures and problems offer an important opportunity for learning and improvement. By understanding and correcting the root cause, they should not recur and thus the overall control framework is strengthened. Deliberate violation of policy, law or ethical codes threaten the Company's reputation and these need to be investigated.

Detected issues that are not properly addressed can result in a range of undesirable outcomes, including reputational and/or legal risks, as well as fines and penalties. As a result, it is imperative that managers have a process in place to investigate items on a timely basis to establish if a violation has occurred. Additionally, investigative activities should be thoroughly designed to ensure that the root cause of the problem is determined. If the investigation concludes that a violation has occurred, an appropriate action plan should be put in place to remediate the issue.

8. Discipline & Enforcement

Discipline and enforcement generally refers to undertaking appropriate and consistent disciplinary actions across the Company for violations of policy or Code of Conduct. Intentional breach of policy or failure to operate within our Values or the Code of Conduct results in robust disciplinary action.

At GSK Bangladesh, we have clear disciplinary policies that define the consequences for violating our operational or ethical standards. There is a rigorous framework for handling allegations and investigations in a manner that ensures that discipline is applied fairly and appropriately and has the desired deterrent effect.

Breaches are reported through the governance process where trends are monitored and as necessary, wider actions are taken across the business. We ensure that the appropriate disciplinary procedure is implemented when there has been intentional breach of policy or failure to operate within our Values or the Code of Conduct. As far as possible, disciplinary actions should be undertaken on a consistent basis.

9. Independent Business Monitoring

Independent business monitoring involves managers conducting regular reviews of activities, data, exceptions and deviations in order to continuously improve their operations and quality. This review gives the leadership objective evidence that the overall set of controls are effective, based on an understanding of current information. This activity is performed by a person or group, independent of the activity being monitored.

10. Independent Assurance

Independent Assurance is provided solely by the Internal Audit function (Audit and Assurance) - GSK's global audit team. No other GSK organisation has the charter to provide this. Internal Audit provides assurance across GSK, covering all of the Principal Risks. The focus of this line of defense is not a detailed verification of compliance but an overall assessment of management effectiveness at risk identification and mitigation.

It also assesses the overall effectiveness of the local control framework. In order to ensure its independence, the Internal Audit function reports both to the non-Executive Chair of the GSK Audit and Risk Committee as well as to the CET Head of Governance, Ethics and Assurance.

We use a common methodology that meets the external requirements of the Institute of Internal Audit. The IIA Professional Practices Framework assures the design and delivery of each audit and also enables sound and repeatable conclusions to be drawn from the audit. There is an expectation that the auditee will be fully transparent in the audit process. Our Internal Audit develops an annual Assurance Strategy which outlines its areas of focus for the forthcoming year; taking into account business risks and emerging themes from audits. Each year, GSK as a group publishes a schedule of audits from our UK Head Quarter that provides the cover of all key risks in each of our Business Units



THE BOARD OF DIRECTORS



Rodrigo Becker

Chairman

Rodrigo Becker was appointed as the Chairman of GSK Bangladesh Board on 20th February, 2014. He joined GSK Spain in 1993 as Marketing and Sales Director. He is currently the Senior Vice President and the GSK Area Head, Africa and Developing Countries. As an Economics Graduate Rodrigo started his career with Hoechst AG, Germany and in 1985 joined Schering AG, Spain till 1993; in a series of increasingly senior positions in Marketing and Sales including the Head of Pharmaceutical division. Prior to his current position, Rodrigo held the positions of General Manager, GSK Italy; Area Director Southern Europe and GM Spain.



Erum Shakir Rahim

Managing Director

Erum Shakir Rahim was inducted in the GSK Bangladesh Board in November, 2015. Prior to this role she was the General Manager of GSK Pharmaceuticals, Malaysia & Brunei and member of the GSK Asia Pacific Leadership Team. She holds a Master's degree in Mass Communication from University of Karachi. Ms. Erum began her career in journalism and advertising in Pakistan's leading agency Atelier BM Pakistan and The News International. She later moved to the Pharmaceutical Industry and joined SmithKline Beecham Pakistan in Product Management. After the merger of the Company in 2000 to GSK, she led 3 marketing groups of the 3 merged companies. In 2006 she became the Director Marketing and Business Development of GSK, Pakistan, Iran and Afghanistan. Ms Erum was a Member, Board of Directors, PhAMA Malaysia; Co chair PhAMA Ethics Committee; Member GSK Pakistan; Board of Directors, Member Overseas Chamber Committee on Trade Pakistan; Trustee Concern for Children Pakistan, etc. She was also awarded Presidents' Award for Synflorix inclusion in GAVI in 2013.



Md. Iftikhar-uz-zaman

Non-Executive Director

Md. Iftikhar-uz-zaman was inducted in the GSK Bangladesh Board in February, 2016. He assumed the position of Managing Director of Investment Corporation of Bangladesh in February, 2016. His successful career spans over 32 years with important positions at different banks and financial organisations. Prior to his current position, he served as Deputy Managing Director of Janata Bank Ltd. and ICB. Before that he was General Manager of ICB.

Mt Md. Iftikhar-uz-zaman also sits as Director of various companies including British American Tobacco Bangladesh Co. Ltd., Lina Bangladesh Limited, Renata Limited, Credit Rating Agency of Bangladesh Ltd., Standard Bank Limited, National Tea Company Limited, etc.

Mt Md. Iftikhar-uz-zaman obtained B.A (Hons.) and M.A. in Statistics from University of Rajshahi. During his career he attended a number of training programmes on different Capital Market issues at home & abroad.



Md. Mesbahul Hoque

Non-Executive Director

Md. Mesbahul Hoque was inducted in the GSK Bangladesh Board in October, 2015. He did his graduation in Pharmacy from Punjab University, Pakistan. He also holds a MBA degree from the Institute of Business Administration, Dhaka University.

Md. Mesbahul Hoque started his career in country's pharmaceutical sector in 1969 by joining May & Baker (UK) Ltd. presently known as Aventis (BD) Ltd. He was the Managing Director of Therapeutics (BD) Limited from 1996 to 2012. He also worked as Director Operations of Libra Infusions Ltd. and Marketing Director of Sanofi Bangladesh Ltd. (Rhône-Poulenc). Currently, he is an Independent Director of AB Bank Limited; an active member of Bangladesh Pharmaceuticals Society and the former Chairman of Reptiles Farm Ltd., (first crocodile captive breeding farm in Bangladesh).



Zinnia Tanzina Huq

Finance Director & Company Secretary

Zinnia Tanzina Huq joined GSK Bangladesh Limited in August, 2014 as Finance Director-Designate and was subsequently appointed as Finance Director on 1st November, 2014. She has 14 years of experience as a finance professional in progressive leadership roles. Prior to joining GSK, she worked with British American Tobacco in Bangladesh. She further worked in British American Tobacco, Singapore Supply Hub as the Finance Lead for various market projects. She is a qualified accountant from Chartered Institute of Management Accountants, UK and is also a member of Institute of Cost and Management Accountants of Bangladesh and Institute of Internal Auditors- Bangladesh. She is a business graduate from Institute of Business Administration (IBA), University of Dhaka.



Rajib Barua

Site Director

Rajib Barua joined GSK on January, 2009 and assumed the position of Site Director from March, 2009. He was inducted to the GSK Bangladesh Board in August, 2010.

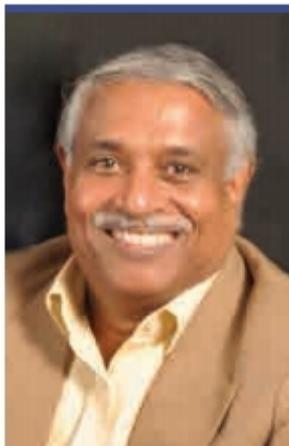
Having spent 16 years in Unilever Bangladesh Limited in various management positions at their Chittagong operations. His last position at Unilever was General Manager, Factory, having operational responsibility of the Chittagong based operations of Unilever. Rajib is a certified Food Quality Assurance (FQA) Auditor & TPM Instructor of Unilever. Prior to Unilever, he worked with Sonar Cotton Mills Bangladesh Limited, one of the export oriented joint venture textile factories. Rajib graduated from Maulana Azad College of Technology, Bhopal, India as Mechanical Engineer and is currently a Fellow of the Institution of Engineers' Bangladesh.



Masud Khan

Non-Executive Director

Masud Khan joined the GSK Board on April, 2013. He is currently the Finance Director of Lafarge Surma Cement Limited (a cross border joint venture project by Lafarge of France and Cementos Molins of Spain). With 33 years of work experience, this seasoned professional has worked in increasingly higher responsibility in the fields of finance, audit and ERP implementation in leading multinational companies in Bangladesh including British American Tobacco Limited and James Finlay. His long work experience also includes working abroad at Monrovia Tobacco Corporation, Liberia and Price Waterhouse & Co., Kolkata, India. He did his Bachelor of Commerce from University of Kolkata, India and qualified both as Chartered and Cost Accountant from Indian Institute with distinction.



G. Venkatramani

General Manager, Consumer Healthcare

G. Venkatramani joined GSK Consumer Health, India in 2008, as General Manager for South India. Subsequently, he was appointed as General Manager of Bangladesh, Myanmar and Nepal in April, 2014. He was inducted in the Board in April, 2014. Prior to joining GSK, he worked in Nestle, Gillette and Procter & Gamble. His work over 30 years and more, in the Sales and Brand Management sectors in different parts of India and Singapore has earned him a diverse experience. He is a Post Graduate in Economics from Loyola College.

COMPANY EXECUTIVE COMMITTEE (CEC)



The Pharma management of the Company is executed through the Company's Executive Committee comprising the Managing Director and Directors



Erum Shakir Rahim
Managing Director

As Managing Director, Erum is responsible for overall management of the Company. She oversees all operational aspects including policies, objectives, initiatives and compliance. She also directs the long term strategy for the Company. Erum joined the GSK Bangladesh Team in January, 2016. Prior to her role in Bangladesh, she was the General Manager of GSK Pharmaceuticals, Malaysia & Brunei.



Zinnia Tanzina Huq
Finance Director & Company Secretary

As Head of Finance functions and Company Secretary, Zinnia is responsible for activities involving financial reporting and control, tax and treasury, investor relations, finance system, internal audit, information technology and other corporate affairs. She joined GSK Bangladesh Limited in August, 2014 as Finance Director-Designate and was subsequently appointed as Finance Director on 1st November, 2014.



Rajib Barua
Site Director

Rajib Barua joined GSK on January, 2009 and assumed the position of Site Director from March, 2009. As the Site Director, Rajib is responsible for all manufacturing related operations of the Company. In order to ensure patient safety, he overlooks the supply chain of all local manufacturing and supervises quality control & safety of production. Rajib is a Mechanical Engineer and is currently a Fellow of the Institution of Engineers' Bangladesh.



Noor Mohammad

Director, Human Resources

Noor joined the GSK team in October, 2015 as the Designate Director, Human Resources. He assumed the position of Director HR from January, 2016. Post his BBA from University of Madras and MBA from North South, he started his career in New Zealand Dairy Milk Bangladesh Limited as an HR Professional. Prior to joining GSK, he worked for Airtel, Nokia, Fonterra Brands PTE Ltd., Singapore and Saudi New Zealand Milk Products Co. Ltd. As the Director HR, Noor is responsible for the overall development of Human resources, which include HR strategies, employee relationship, performance management, etc., across all the business units of GSK Bangladesh which include Pharma, Consumer and GMS.



Naresh Katara

Commercial Director

Naresh joined the Bangladesh team in August, 2013. Having started his career with GSK, India (then Glaxo India Limited) in 1983 as a Medical Representative he moved on to take leadership roles in Sales and Marketing. As Head of Commercial, he is responsible for the management of marketing, sales and distribution functions of the Company. Naresh is an accredited Tutor from the GSK Academy, London. Prior to joining the Bangladesh team, Naresh worked as Director, Selling Excellence & Sales Force Effectiveness for the Classic Brands Center of Excellence supporting markets across LATIN AMERICA, AFRICA, ASIAPACIFIC and the U.A.E.



Dr. Md. Mahbubur Rahman

Director, Clinical R&D and Medical Affairs

As Head of Medical, Mahbub is responsible for management of medical department, medical governance oversight for Vaccines and Pharma products marketed in Bangladesh, Pharma and Biologicals clinical trials and Pharmacovigilance activities for marketed and investigational products. He completed MBBS from Sher-e-Bangla Medical College and did post graduation in Master of Public Health (MPH) with major in Epidemiology from State University of Dhaka. Before joining GSK in 2011, he has worked in a variety of clinical & commercial roles in organisations such as BRAC, Square Pharmaceuticals and Novo Nordisk.



Rumana Ahmed

Head of Communications

As Head of Communications, Rumana is responsible for all Internal & External Communications of the Company. She also leads all CSR related activities which include global initiatives e.g., 20% re-investment of profit to build healthcare infrastructure, etc. She completed her Masters from Dhaka University in English Literature. Prior to joining GSK in 2008, Rumana worked in a number of brand and corporate communication roles in renowned local and multinational organizations such as Social Marketing Company, Grey Worldwide, US Peace Corps, Asiatic MCL, Bitopi Leo Burnett, etc.

CONSUMER HEALTHCARE LEADERSHIP TEAM

The Consumer Healthcare management of the Company is executed through the Leadership team comprising the General Manager and Department/Division heads



G Venkatramani
General Manager

As General Manager, G Venkatramani [GV] is responsible for overall management of the Consumer Healthcare Business [CH] of GSK Bangladesh, Myanmar & Nepal. He leads the 3 countries as Head of Consumer Healthcare business and oversees all management and operational aspects of the business. Venkatramani joined GSK CH, India in 2008 as General Manager for South India.



Soumendra S. Das
Marketing Director

Soumendra joined GSK CH, Bangladesh in April 2011, as Marketing Director. He established the full Marketing Function and is responsible for the overall Marketing Division of the CH Business of GSK, Bangladesh. Prior to joining GSK, he worked in Unilever, Coca-Cola, Reckitt Benckiser, and Marico and has over 22 years of pure Brand Management experience based out of Bangladesh and Nepal. Soumendra is a Post Graduate in Business Administration from IBA, University of Dhaka, Bangladesh.



Sujay Kumar Prasad
Commercial Excellence Manager

Sujay joined GSK in 1986 as Sales Officer in North India. He joined the Bangladesh team in April 2014, and is responsible for the overall Sales Division of GSK CH, Bangladesh. Before joining the Bangladesh team he worked in various parts of India including Chennai, Mumbai, etc., in both Sales & Trade Marketing. Prior to GSK, Sujay worked in Dabur India Ltd., Bennett Coleman, Times of India in Delhi. He is a Commerce Graduate from Delhi University with a Diploma in Business and Marketing Management.



Zahedur Rahman
Supply Chain Director

Zahed joined GSK CH, Bangladesh in April 2013 as Supply Chain Director for Bangladesh, Myanmar & Nepal cluster. As the Supply Chain Director, he is responsible for all supply chain related functions of the 3-country cluster. Prior to joining GSK, he worked at ACI Limited as Director - Business Development. He also worked for fourteen & half years in different roles in supply chain including the roles of Supply Chain Planning Manager & Manufacturing Manager at British American Tobacco Bangladesh. Zahed graduated from Bangladesh University of Engineering & Technology (BUET) in Electrical & Electronic Engineering and also is an MBA from IBA, University of Dhaka.



Monir Hossain
Head, External Supply

Monir joined GSK, CH Bangladesh in March 2011. As the Head of External Supply unit, he played a pivotal role in structuring supply chain function for consumer business along with capability and capacity building in front and back end supply chain and continues to do so. He has all rounds of end to end supply chain experiences in FMCG for over 15 years. Prior to joining GSK, he has worked for Reckitt Benckiser Bangladesh, Nestle India, and Nestle Bangladesh. Monir has Masters in Major Accounting, from Faculty of Business Studies of University of Dhaka. He has been trained in 'Supply Chain' from IIMA, India. He is a Life Member of BSCS (Bangladesh Supply Chain Society) and Accounting Alumni of Dhaka University.



Nitin Mathur
Head of Finance

Nitin joined GSK, India in 2005 and has been appointed Head of Finance, CH business of Bangladesh, Myanmar and Nepal since June 2013. As Head of Finance, he is responsible for all Finance related issues of the cluster. Nitin started his career with Pepsico and later joined GSK, India and worked in a variety of roles of increasing responsibility in Commercial Finance, Product Costing, Business Partnering & Management Accounting. He is a Commerce Graduate with Honours and a Chartered Accountant from Institute of Chartered Accountants of India.



Ishrat Zerlin
Head of Legal & Compliance

Ishrat joined GSK CH, Bangladesh in 2014 as Head of Legal & Compliance for Bangladesh, Nepal and Myanmar. Prior to joining GSK, she served as Head of Compliance Group in Samsung, R&D and had an expanded career as corporate legal counsel for over twelve years in various renowned organisations like Unilever, Airtel (previously Warid Telecom) and GrameenPhone. Ishrat holds degrees from the University of Dhaka, (LL.B. and LL.M), the University of London, (LL.B.) and City University, London, (BPTC). She was called to the Bar of the Honourable Society of Gray's Inn (UK) in 2013, and has been awarded the prestigious title 'Barrister'.

REPORT OF AUDIT COMMITTEE

For the year ended 31 December, 2015

The Audit Committee, appointed by and responsible to the Board of Directors of GlaxoSmithKline Bangladesh Ltd., is constituted according to the internal control framework of the Company policy and as per conditions of the Bangladesh Securities and Exchange Commission's (BSEC) guidelines. The Committee comprises of three members, of whom 2 are Non-Executive Directors. The Chairman of the Committee is appointed by the Board of Directors and is a non-executive independent Director. The Company Secretary functions as the Secretary of the Committee. Meetings of the Committee are attended by the Finance Director, Head of Internal Audit and the External Auditors on invitation. All members of the Committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control processes.

The terms of reference of the Audit Committee has been determined by the Board in accordance with the Audit Committee Charter.

Role of the Committee

The Audit Committee's role flows directly from the Board's oversight function and it is authorised by the Board to investigate any activity within its terms of reference. The Committee reports regularly to the Board on the performance of the activities it has been assigned. The Committee's main responsibilities include:

- Reviewing the form and content and monitoring the integrity of the Company's financial statements;
- Monitoring and reviewing the arrangements for ensuring the objectivity and effectiveness of the external and internal audit functions;
- Recommending to the Board the appointment, re-appointment or removal of the external auditors.
- Reviewing the adequacy and effectiveness of the Company's internal controls and risk management system;
- Reviewing and monitoring the company's ethical standard, procedures for ensuring compliance with regulatory and financial reporting requirements and its relationship with the relevant regulatory authorities;
- Performing other activities as requested by the Board of Directors.

Meetings and Attendance

In the year 2015, the Audit Committee met four times. All members were present in all meetings of the Committee. The details of attendance of each member of the Audit Committee meetings in 2015, are as follows:

Audit Committee Members	Category	Number of meetings held	Meetings attended
Mr. Masud Khan, FCA	Independent Non-Executive Director (Chairman)	4	4
Mr. Md. Fayekuzzaman	Non-Executive Director	4	4
Mr. W. Azrul Huq	Managing Director	4	4

Ms. Zinnia Tanzina Huq, Company Secretary, attended all the meetings to act as the Secretary of the Audit Committee. She also attended the meeting as the Finance Director of the Company to give clarifications on all financial matters.

Other invitees to the meetings are the External Auditors, who have attended one meeting and Manager, Internal Audit who has attended all meetings of the year.

Activities carried out during the year

In accordance with the "Audit Committee Charter", governed by the BSEC notification on Corporate Governance, the Audit Committee carried out its duties to work upon areas that were raised for consideration and discussed to evaluate issues related to key events of annual financial reporting cycle.

During the year 2015, the Audit Committee carried out the following activities:

1. Financial Reporting Assurance

- Reviewed the quarterly and annual financial statements of the Company, in light of the financial performance of the Company.
- Assessed the external auditors report on all critical accounting policies, significant judgement and practices used by the Company in producing the financial statements.

2. Internal Control and Risk Management Process

- Reviewed the updated GSK internal control framework
- Appraised on the Bangladesh risk management framework
- Assessed the management process of investigations.

3. Internal Audit

- Assessed and endorsed the annual internal audit plan 2015 in accordance with the annual objectives and risks of the Company
- Reviewed all findings of the internal audit function and the corresponding management actions to improve the controls

4. External Audit

- Reviewed the scope of the services to be provided by the external auditors and did not approve any non-audit services to the external auditors.

- Reviewed the external auditors' findings of observation and the management's response thereto and is satisfied that the external auditors remain independent and that appropriate action is being taken on time.

The committee is of the opinion that adequate controls, procedures and risk management are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company is adequately managed.

On behalf of the Audit Committee



Masud Khan
Chairman
Audit Committee

Dhaka, March 20, 2016



STATEMENT OF DIRECTORS' RESPONSIBILITY

Directors' statement of responsibility in relation to the financial statements

The Directors are:

- responsible for ensuring the maintenance of proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and from which financial statements can be prepared to comply with the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and the Listing Regulations of the Dhaka Stock Exchange Limited 1996;
- required by law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period;
- responsible also for ensuring the operation of systems of internal control and for taking reasonable steps to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

The financial statements for the year ended 31 December, 2015, comprising principal financial statements and supporting notes are set out in this report.

The Directors confirm that suitable accounting policies have been consistently applied in the preparation of financial statements, supported by reasonable and prudent judgements and estimates as necessary; applicable accounting standards have been followed, and the financial statements have been prepared on the going concern basis.

The responsibilities of the auditors in relation to the financial statements are set out in the independent auditor's report signed by the auditor and included in this report (page-64).

The financial statements for the year ended 31 December, 2015 are included in the Annual Report 2015, which is published by the Company in hard-copy printed form and made available on the Company's website.

Management Remuneration

Human Resources policies & compensation reviews are guided through the "Customer Board". The Managing Director heads the Customer Board with members from finance, manufacturing, consumer healthcare and human resources. The Customer Board provides guidelines for annual increment, promotion and standard of remuneration in line with budget provisions.

Annual appraisal of all employees' performance is made in accordance with the Company's established policy. Annual remuneration adjustments are performed through a system of 1+1 review (Manager recommends & Manager's Manager approves). The above country management approves the remuneration of Managing Director, Executive Directors and Senior Managers.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Internal Control

The Board, through the Audit Committee, has reviewed the assessment of risks and internal control framework that operates in GlaxoSmithKline Bangladesh Limited and has considered the effectiveness of the system of internal control in operation in the Company for the year covered by this report and up to the date of its approval by the Board of Directors.

Annual Report

The Annual Report for the year ended 31 December, 2015, comprising the Report of Directors and the Financial Statements, has been approved by the Board of Directors in its meeting dated 9th March, 2016.

AUDITOR'S REPORT TO THE SHAREHOLDERS



We have audited the accompanying financial statements of GlaxoSmithKline Bangladesh Limited which comprise the statement of financial position as at 31 December, 2015, Income Statement, Statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair representation of financial statements that are free from material mis-statements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, but not absolute assurance whether the financial statements are free from material mis-statement due to fraud and error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of GlaxoSmithKline Bangladesh Limited prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December, 2015 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Emphasis of Matter

Without modifying our opinion as above, we draw attention to the following point:

Note # 3.14 to the financial statements where management explains, the reason for restatement of the comparative figures for the year ended 31 December, 2014 by recognizing expenses related to pension fund.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by GlaxoSmithKline Bangladesh Limited so far as it appeared from our examination of these books;
- The Company's statement of financial position (balance sheet) and income statement (profit and loss account) dealt with by the report are in agreement with the books of account and returns; and
- The expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
24 February, 2016

Inaia
ACMABIN
Chartered Accountants



GlaxoSmithKline Bangladesh Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2015

		Taka in '000	
		At 31st December	
	Notes	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	4	600,794	546,216
Intangible assets	43	3,437	4,374
Other receivables	6.6	10,370	27,713
		614,600	578,303
Current Assets			
Inventories	5	852,278	888,079
Trade and other receivables	6	1,224,342	1,044,908
Cash and cash equivalents	7	2,871,198	2,537,032
		4,947,818	4,460,019
Total Assets		5,562,419	5,028,322
EQUITY AND LIABILITIES			
Equity attributable to the Company's equity holders			
Share capital	15	120,465	120,465
Retained earnings	17	2,418,694	2,068,846
General reserve		5,000	5,000
Revaluation reserve	16.1	59,479	59,479
Capital reserve	16.2	166	166
Total equity		2,603,804	2,253,956
LIABILITIES			
Non-current liabilities			
Deferred tax liability	10	(887)	25,765
Obligation under finance lease	13	8,813	14,865
Retirement benefit obligations	14	40,822	160,628
Total non-current liabilities		48,747	201,259
Current liabilities			
Trade and other payables	8	2,710,272	2,337,516
Current tax liabilities	9	193,543	225,681
Obligation under finance lease	13	6,052	9,910
Total current liabilities		2,909,867	2,573,107
Total Liabilities		2,958,614	2,774,366
TOTAL EQUITY AND LIABILITIES		5,562,419	5,028,322
CONTINGENT LIABILITIES & COMMITMENTS	18 & 19		

The financial statements were authorised for issuance by the Board of Directors on 24 February, 2016.

Director

Director

Director & Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Financial Position referred to in our report of even date.

Chartered Accountants

Dated, Dhaka

24 February, 2016

GlaxoSmithKline Bangladesh Limited

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2015

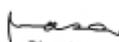
		Taka in '000	
		Year to 31st December	
	Notes	2015	2014
Revenue	20	6,898,828	7,187,225
Cost of sales	21	(4,064,297)	(4,476,255)
Gross profit		2,834,531	2,710,970
Operating expenses:			
Selling expenses	22	(1,211,492)	(1,305,494)
Distribution expenses	23	(19,589)	(20,458)
Administrative expenses	24	(375,730)	(334,467)
Other income	25	12,892	11,979
Total		(1,593,919)	(1,648,440)
Profit from operations		1,040,612	1,062,530
Finance income	26	98,057	119,773
Profit before taxation		1,138,669	1,182,303
Income tax expenses	31	(307,590)	(355,525)
Profit for the year		831,079	826,778
Earnings per share (Taka)			
Basic and diluted	33	69.99	69.63

The accompanying notes form an integral part of the financial statements.

The financial statements were authorised for issuance by the Board of Directors on 24 February, 2016.



Director



Director



Director & Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Profit or Loss referred to in our report of even date.



ACNABIN

Chartered Accountants

Dated, Dhaka

24 February, 2016



GlaxoSmithKline Bangladesh Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

		Taka in '000	
		Year to 31st December	
	Notes	2015	2014
Profit for the year		831,079	826,778
Other comprehensive income, net of income tax		-	-
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	14.2	24,719	(16,962)
Items that may be reclassified subsequently to profit or loss:			
Total comprehensive income for the year		855,798	809,816

The accompanying notes form an integral part of the financial statements.

The financial statements were authorised for issuance by the Board of Directors on 24 February, 2016

Director

Director

Director & Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Comprehensive Income referred to in our report of even date.

ACNABIN

Chartered Accountants

Dated, Dhaka

24 February, 2016

GlaxoSmithKline Bangladesh Limited
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2015

	Notes	Taka in '000					
		Year to 31st December					
		Share capital	Retained earnings	General reserve	Revaluation reserve	Capital reserve	Total equity
Balance at 31 December 2013		120,465	1,666,002	5,000	59,479	166	1,851,112
Adjustment due to recognition of pension fund (net of tax)		-	(45,579)	-	-	-	(45,579)
Balance at 1 January 2014		120,465	1,620,423	5,000	59,479	166	1,805,533
Profit for the year		-	826,778	-	-	-	826,778
Other comprehensive income		-	(16,962)	-	-	-	(16,962)
Final dividend	11	-	(361,393)	-	-	-	(361,393)
Balance at 31 December 2014		120,465	2,068,846	5,000	59,479	166	2,253,956
Profit for the year		-	831,079	-	-	-	831,079
Other comprehensive income		-	24,719	-	-	-	24,719
Final dividend	11	-	(505,950)	-	-	-	(505,950)
Balance at 31 December 2015		120,465	2,418,694	5,000	59,479	166	2,603,804

The accompanying notes form an integral part of the financial statements.

The financial statements were authorised for issuance by the Board of Directors on 24 February, 2016.



Director



Director



Director & Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Changes in Equity referred to in our report of even date.



ACNABIN

Chartered Accountants

Dated, Dhaka

24 February, 2016



GlaxoSmithKline Bangladesh Limited
STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

		Taka in '000	
		Year to 31st December	
	Notes	2015	2014
Cash Flows From Operating Activities			
Collection from revenue		6,544,828	6,653,848
Payment for cost and expenses		(5,258,220)	(5,265,407)
Other income	25	8,895	8,211
Cash generated from operations		1,283,503	1,396,452
Interest received	26	101,365	122,865
Interest paid	26	(3,308)	(3,092)
Income tax paid	9	(374,619)	(177,483)
Net cash from operating activities		1,016,941	1,338,742
Cash Flows From Investing Activities			
Acquisition of property, plant & equipment		(177,583)	(118,652)
Sales proceeds of property, plant & equipment	4.4	10,869	8,728
Net cash used in investing activities		(166,914)	(109,924)
Cash Flows From Financing Activities			
Dividend paid	11.1	(505,950)	(361,393)
Finance lease paid		(9,910)	(11,092)
Net cash used in financing activities		(515,860)	(372,485)
Net increase in cash and cash equivalents		334,166	856,333
Cash and cash equivalents at beginning of the year	7	2,537,032	1,680,699
Cash and cash equivalents at end of the year	7	2,871,198	2,537,032

The accompanying notes form an integral part of the financial statements.

The financial statements were authorised for issuance by the Board of Directors on 24 February, 2016.

Director

Director

Director & Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Cash Flows referred to in our report of even date.

ACNABIN

Chartered Accountants

Dated, Dhaka

24 February, 2016

GlaxoSmithKline Bangladesh Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1 The Company and its nature of business

1.1 The Company

GlaxoSmithKline Bangladesh Limited (the Company) was incorporated on 25 February, 1974 as a public limited company and is listed with Dhaka Stock Exchange Limited. The Company is a subsidiary of GlaxoSmithKline Plc, UK through its fully owned subsidiary Setfirst Limited, UK.

1.2 Nature of business

The principal activities of the Company throughout the year continued to be manufacturing and marketing of pharmaceuticals, vaccines and consumer healthcare products.

2 Basis of preparation of financial statements

2.1 Financial statements

2.1.1 Composition

The financial statements comprise of :
Statement of Financial Position
Statement of Profit and Loss
Statement of Comprehensive Income
Statement of Changes in Equity
Statement of Cash Flows
Notes to the Financial Statements

2.1.2 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the relevant requirements of the Schedule to the Securities & Exchange Rules, 1987, the Listing Regulations of Dhaka Stock Exchange Limited, 1996 and of the Companies Act 1994.

2.1.3 Financial period

These financial statements cover the financial year from 1 January to 31 December 2015, with comparative figures for the financial years from 1 January to 31 December 2014.

2.2 Basis of measurement

These financial statements have been prepared under the 'historical cost' convention except for certain operating fixed assets which were revalued in 1978.

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka which is the functional and presentation currency. Figures have been rounded off to the nearest thousand Taka, unless stated otherwise.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with BFRS requires management to make judgements, estimates and assumptions that influence the application of accounting and reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experiences and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and result may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the significant effect on the amounts recognised in the financial statements are mentioned below:

	Policy	Note
Property, plant & equipment-Valuation	3.1.1	4
Property, plant & equipment-Depreciation	3.3.1	4
Valuation of inventories	3.4	5
Deferred tax	3.6.2	10
Impairment of property, plant & equipment	3.2	N/A
Employee benefit liabilities	3.5	14
Amortisation	3.3.2	43

3 Summary of Significant Accounting Policies

3.1.1 Property, plant and equipment (PP&E)

Property, plant and equipment is stated at cost or valuation less accumulated depreciation and impairment. Capital work-in-progress is stated at cost.

Effective from January 2013, all personal computers (Desktop, Laptop, Note Book, Monitor) are charged off as revenue expenditure. PCs purchased up to 31 December 2012 were capitalised and will continue to be depreciated over the remaining useful life of the PCs.

Maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalised.

3.1.2 Intangible assets

Intangible Assets represent cost incurred for acquiring and developing computer software for Enterprise Resources Planning (ERP) of manufacturing operations of the company where the software supports a significant business system and the expenditure leads to the creation of a durable asset. ERP systems software generally involves significant customisation prior to implementation and is expected to have a useful economic life of seven years.



3.2 Impairment of PP&E

The carrying values of all PP&E are reviewed for impairment on annual basis to assess whether there is any indication that the assets might be impaired. Any provision for impairment is charged to the Statement of Comprehensive Income in the year concerned.

There is no impairment in 2015 and 2014.

3.3.1 Depreciation

Depreciation is provided on straight line method at the annual rates shown below and leasehold land is amortised annually in such a manner that at the end of the period of lease the land is fully amortised:

Category of PP&E	Rate (%)
Freehold buildings	2.5
Plant and machinery	5, 10 & 33.33
Furniture, fixtures and equipment	10, 12.5 & 15
Computers	25, 33.33 & 100
Vehicles	25

Depreciation on additions made during the year is charged from the month in which the newly acquired assets are put into commercial operations. Depreciation on disposal of property, plant and equipment is made up to the month prior to the disposal.

Depreciation method, useful lives and residual values are reviewed at each reporting date.

3.3.2 Amortization of intangible assets

Amortisation is calculated to write off the cost of the intangible fixed assets, using the straight-line basis, over their expected useful lives. The normal expected useful life of computer software is reviewed annually and is 7 years.

3.4 Basis of valuation of inventories

Category	Basis of valuation
Finished products and Work-in-process	At the lower of cost and net realisable value. The cost includes allocation of production overheads that relate to bringing the inventories to their present condition and location.
Raw and packaging materials	At the lower of cost and net realisable value.
Stores and spares	At the lower of weighted average cost and net realisable value.
Materials & stores in-transit	At cost including related charges.

3.5 Retirement benefit schemes

Gratuity fund:

The Company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its eligible permanent employees other than the management staff.

Pension fund:

The Company contributes (based on actuarial valuation of 2015) to a recognised pension fund which is operated for its eligible permanent management staff. The fund has now been closed to new entrants joining the Company on and after 1 September 2012.

Provident fund:

The Company maintains contributory recognised provident funds for its eligible permanent employees.

3.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.6.1 Current tax

Provision for current year's taxation is based on the elements of income and expenditure as reported in the financial statements and is computed in accordance with the provisions of the Finance Act/Ordinance.

3.6.2 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognised for all temporary taxable differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3.7 Foreign currencies translation/transaction

Foreign currency receipts and payments during the year are translated at the exchange rate ruling on the transaction date. However, assets and liabilities at the reporting date are converted at the rate existing on that date.

3.8 Revenue recognition

Revenue represents product invoiced during the year to customers net of value added tax, rebates, discounts and commission.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

3.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.11 Earnings per share

The Company calculates its earnings per share in accordance with Bangladesh Accounting Standard (BAS-33) which has been shown on the face of Statement of Profit or Loss.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

No diluted earnings per share is required to be calculated per year as there was no scope for dilution during the year.

3.12 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.13 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.14 Restatement of comparative figures

The Company has been recognizing expenses related to pension fund to the extent that it made payments to the fund until year 2014. Since Q1 2015, pursuant to a decision of the management, pension fund assets, obligation, cumulative deficit along with deferred tax on the deficit is being recognized in the financial statements. As such, the comparative figures for Retirement Benefit Obligation and opening balance Retained Earnings of FY 2014 have been restated. Retirement benefit obligation has increased by BDT. 83,387 (Taka'000) and retained earnings of FY 2014 has decreased by BDT. 62,541 (Taka'000) (net of tax) respectively. Comparative figures for Deferred tax liabilities also has been restated and decreased by BDT. 20,847 (Taka'000).



4 Property, Plant and Equipment

4.1 The following is the statement of property, plant & equipment

Taka in '000

2015									
	Gross book value at cost / valuation				Depreciation				Carrying value
	Opening	Additions	Disposals/ Transfers	Closing	Opening	Charged	Disposals	Closing	As at 31 Dec
At cost									
Freehold land	221	-	-	221	-	-	-	-	221
Leasehold lands	619	-	-	619	174	7	-	181	438
Freehold buildings	142,681	-	-	142,681	60,947	3,285	-	64,232	78,449
Plant and machinery	632,385	86,263	-	718,648	383,421	48,164	-	442,586	276,063
Furniture, fixtures & equipment	209,322	22,219	4,601	226,939	116,115	20,412	3,175	133,351	93,588
Vehicles	252,884	25,158	35,404	242,619	151,578	45,277	32,158	164,697	77,922
	1,238,092	133,640	40,005	1,331,727	722,235	118,145	35,333	805,047	526,680
Capital work-in-progress	20,279	84,819	40,038	65,160	-	-	-	-	65,160
	1,258,371	218,559	80,043	1,396,887	722,235	118,145	35,333	805,047	591,840
At valuation - in 1978									
Freehold land	4,831	-	-	4,831	-	-	-	-	4,831
Leasehold land	12	-	-	12	12	-	-	12	-
Freehold buildings	45,747	-	-	45,747	41,244	1,126	-	42,370	3,377
Plant and machinery	7,397	-	-	7,397	6,678	-	-	6,678	720
Furniture, fixtures & equipment	1,491	-	-	1,491	1,466	-	-	1,466	25
	59,479	-	-	59,479	49,399	1,126	-	50,525	8,954
2015	1,317,850	218,559	80,043	1,456,366	771,634	119,271	35,333	855,572	600,794
2014	1,206,631	212,439	101,220	1,317,850	669,770	119,881	18,017	771,634	546,216

4.2 The depreciation charge has been allocated to

	Notes	2015	2014
Cost of sales	21	69,996	65,336
Selling expenses	22	27,335	32,626
Distribution expenses	23	2,135	1,907
Administrative expenses	24	19,782	19,796
Intercompany		23	216
		119,271	119,881
4.3 Fully depreciated assets - at cost		397,565	246,260

4.4 The following property, plant & equipment were disposed off during the year

						Taka in '000	
Items	Cost or valuation	Accumulated depreciation	Carrying value	Sale proceeds	Mode of disposal	Particulars of purchasers	
Plant and machinery			-				
	-	-	-	-			
Furniture, fixtures and equipment	4,601	3,175	1,426	624	Co. policy	Management Staff	
	4,601	3,175	1,426	624			
Vehicles	35,404	32,158	3,246	10,045	Co. policy	Management Staff	
	35,404	32,158	3,246	10,045			
2015	40,005	35,333	4,672	10,669			
2014	22,977	13,000	1,319	4,220			

		Taka in '000	
		At 31st December	
	Notes	2015	2014
5 Inventories			
Finished products	38	379,698	300,789
Raw and packing materials		277,558	284,360
Work-in-process		62,479	147,727
Stores & spares		19,657	20,367
In transit - materials and stores		112,886	134,836
		852,278	868,079
6 Trade and other receivables			
6.1 The make-up of			
Trade receivables - unsecured		1,035,893	881,893
Intercompany receivables		61,018	55,763
House building loan to employees		1,514	2,001
Others		17,622	14,489
		1,116,047	954,146
6.2 Prepayments			
Suppliers		8,036	10,599
Rental		19,724	20,019
Employees		7,103	6,370
VAT		58,594	39,796
Security deposits		3,527	2,848
Others		11,311	11,130
		108,295	90,762
		1,224,342	1,044,908
6.3 Others include interest accrued on investments - due			
		-	-
	- not due	18,062	14,933
		18,062	14,933
6.4 These include aggregate amount due by the managers and officers of the Company			
		7,103	6,370
6.5 The maximum aggregate amount due by the managers and officers of the Company at the end of any month during the year			
		18,376	18,207
6.6 Other receivables realisable or adjustable after twelve months from the reporting date			
House building loan		5,512	7,419
Rental		4,857	20,294
		10,370	27,713



		Taka in '000	
		At 31st December	
	Notes	2015	2014
7 Cash and cash equivalents			
Term deposits with scheduled commercial banks		2,384,390	1,959,221
Special Notice Deposit (SND) accounts with scheduled commercial banks		29,003	24,287
Current account with scheduled commercial banks		457,512	553,000
Cash in hand		293	524
		2,871,198	2,537,032
8 Trade and Other Payables			
8.1 The make-up of			
Trade payables		1,457,243	1,132,804
Expenses		1,127,385	1,107,740
Other finance		115,421	82,194
Unclaimed dividend		6,313	5,286
Capital expenditures		3,910	9,482
		2,710,272	2,337,516
8.2 Payables for expenses include secured items worth			
		-	1,760
8.3 These include the following items:			
Deposits		-	434
Tax deducted at source		18,652	32,727
Excise duty		-	307
Other		96,769	48,726
		115,421	82,194
9 Current tax liabilities			
Opening balance		225,681	62,211
Provided during the year	31	342,481	340,953
		568,162	403,164
Paid during the year		374,619	177,483
Closing balance		193,543	225,681

	Notes	Taka in '000	
		At 31st December	
10 Deferred tax liability		Carrying amount on reporting date	Taxable temporary difference / (Deductible temporary difference)
Year 2015			
Deferred tax relating to items of profit or loss			
Property, plant and equipment		533,862	118,843
Provision for gratuity		71,493	(71,493)
Net taxable temporary difference			47,351
Applicable tax rate			25.00%
Deferred tax liability relating to items of profit or loss at the end of the year (a)			11,719
Deferred tax liability relating to items of profit or loss at the beginning of the year			46,612
Deferred tax expense recognized in profit or loss	31		(34,892)
Deferred tax asset relating to items directly recognized in other comprehensive income			
Actuarial gain / (loss) directly recognized in other comprehensive income		32,958	32,958
Applicable tax rate			25%
Deferred tax liability relating to items directly recognized in other comprehensive income at the end of the year (b)			8,240
Deferred tax asset relating to items directly recognized in other comprehensive income at the beginning of the year			(20,846)
Deferred tax income recognized in other comprehensive income			(12,607)
Net deferred tax (assets) / liability (a+b)			(987)
Year 2014			
Deferred tax relating to items of profit or loss			
Property, plant and equipment		508,171	196,804
Provision for gratuity		8,473	(8,473)
Net taxable temporary difference			188,331
Applicable tax rate			24.75%
Deferred tax liability relating to items of profit or loss at the end of the year (a)			46,612
Deferred tax liability relating to items of profit or loss at the beginning of the year (restated)			32,039
Deferred tax expense recognized in profit or loss	31		14,572
Deferred tax asset relating to items directly recognized in other comprehensive income			
Actuarial gain / (loss) directly recognized in other comprehensive income			(22,541)
Applicable tax rate			24.75%
Deferred tax asset relating to items directly recognized in other comprehensive income at the end of the year			(5,579)
Deferred tax asset relating to items directly recognized in other comprehensive income at the beginning of the year			(15,267)
Deferred tax income recognized in other comprehensive income			(20,846)
Net deferred tax (assets) / liability			25,765



	Notes	Taka in '000	
		At 31st December	
		2015	2014
11 Dividends			
Shareholding details	15.3	Final for 2015	Final for 2014
11.1 Paid			
a. Setfirst Limited, UK			
GBP 3,024,963.07 (2014: GBP 2,009,038.09)		414,756	296,254
b. Investment Corporation of Bangladesh		53,194	37,820
c. General public		30,140	20,247
d. Sadharan Bima Corporation		3,210	2,293
e. Other local financial / securities companies		4,850	4,779
		505,950	361,393
11.2 Unclaimed - on account of Bangladeshi shareholders			
Prior year		1,506	1,882
Years prior to that		5,067	3,404
		6,573	5,286
12 Dividend per share			
The dividends for 2014 paid in 2015 were Taka. 505,951 (Taka'000) (Tk.42 per share). A dividend in respect of 2015 of Tk 55 per share, amounting to a total dividend of Taka 662,555(Taka'000) is to be proposed at the Annual General Meeting on 21 April 2016 These financial statements do not reflect this dividend payable.			
13 Obligations under finance lease			
Amount payable under finance lease:			
Within one year		6,789	13,033
In the second to fifth years inclusive		10,925	18,755
		17,714	31,788
Less : Future finance charge		2,849	7,012
Present value of lease obligations		14,865	24,775
Less : Amount due for settlement within 12 months (shown under current liabilities)		6,052	9,910
Amount due for settlement after 12 months		8,813	14,865
It is the Company's policy to lease Motor Vehicles above certain amount under finance leases. The lease term is 5 years. For the year end 31 December 2015, the average effective borrowing rate was 15.28%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.			
All lease obligations are denominated in Taka.			
The Company's obligations under finance lease are secured by the lessor's charges over the leased assets.			
14 Retirement benefit obligations			
14.1 Gratuity		71,493	77,241
14.2 Net pension fund		(30,671)	83,387
		40,822	160,628

		Taka in '000	
		At 31st December	
	Notes	2015	2014
14.1 Gratuity			
Opening balance		77,241	81,469
Provision made during the year		5,888	8,506
Paid during the year		(11,636)	(12,733)
		(5,748)	(4,228)
Closing balance		71,493	77,241
This represents total liability of the Company on account of gratuity that would be payable if all eligible employees retire at the end of the year.			
14.2 Pension fund			
Net pension fund			
Defined benefit obligation		364,995	379,575
Plan assets		395,666	296,188
Net funded status		(30,671)	83,387
The actuarial valuation of pension fund was carried out at December 31, 2015. The Projected Unit Credit Method, using the following significant financial assumptions has been used for the actuarial valuation :			
		%	%
Discount rate		8	8
Expected rate of increase in salaries		7	7
Expected rate of return on plan assets		8	8
Movement in the present value of defined benefit obligation			
Opening balance		379,575	338,912
Current service cost		12,443	13,952
Interest cost		30,366	27,113
Actuarial (gain) / loss on obligations		(16,836)	28,083
Benefits paid		(40,553)	(28,485)
Present value of defined benefit obligation		364,995	379,575
Movement in the fair value of plan assets			
Opening balance		296,188	277,153
Expected return on plan assets		23,695	22,172
Actuarial gain / (loss)		16,122	5,542
Contribution by employer		100,214	19,806
Benefits paid		(40,553)	(28,485)
Fair value of plan assets		395,666	296,188
Net actuarial gain / (loss)			
Actuarial gain / (loss) on obligations		16,836	(28,083)
Actuarial gain / (loss) on fair value of plan assets		16,122	5,542
		32,958	(22,541)
Deferred tax on actuarial gain / (loss)		(8,240)	5,579
		24,719	(16,962)

As per the last audited balance sheet of GlaxoSmithKline Bangladesh Limited Pension Fund as of 31 December, 2015, the total fund stands at Tk. 395,666 (Tk. '000) (2014: Tk. 296,188) (Tk. '000) represented by assets invested mainly in Treasury Bills.



		Taka in '000	
		At 31st December	
	Notes	2015	2014
15 Share capital (Ordinary shares)			
15.1 Authorised			
	20,000,000 Shares of Tk 10 each	200,000	200,000
15.2 Issued, subscribed and fully paid - up			
Issued for cash			
350	Shares of Tk 10 each in 1974	4	4
4,943,949	Shares of Tk 10 each as rights issue	49,440	49,440
4,944,299		49,444	49,444
Issued for consideration other than cash			
3,787,650	Shares of Tk 10 each in 1974	37,876	37,876
3,314,500	Shares of Tk 10 each as bonus issue	33,145	33,145
7,102,150		71,021	71,021
12,046,449		120,465	120,465

15.3 Position of shares holding

The composition of share holders at 31 December were:

	2015		2014		2015	2014
	% of Holdings	No. of Shares	% of Holdings	No. of Shares		
a. Setfirst Limited, UK	81.98	9,875,144	81.98	9,875,144	98,752	98,752
b. Investment Corporation of Bangladesh (ICB) & ICB Unit and Mutual Funds	12.37	1,490,696	10.44	1,267,175	14,907	12,572
c. General public	4.07	489,806	6.38	768,143	4,898	7,681
d. Sadharan Bima Corporation	0.63	76,437	0.63	76,437	764	764
e. Other local institutions	0.95	114,366	0.57	69,550	1,144	696
	100.00	12,046,449	100	12,046,449	120,465	120,465

15.4 Classification of shareholders by holding:

Holdings	Number of holders		Total holdings%	
	2015	2014	2015	2014
Less than 500 shares	647	583	0.43	0.55
500 to 5,000 shares	77	117	1.02	1.27
5,001 to 10,000 shares	20	12	1.28	0.70
10,001 to 20,000 shares	3	6	0.35	0.62
20,001 to 30,000 shares	2	1	0.4	0.19
30,001 to 40,000 shares	1	1	0.27	0.27
40,001 to 50,000 shares	2	-	0.78	-
50,001 to 1,00,000 shares	3	4	2.18	2.46
100,001 to 1,000,000 shares	3	3	11.31	11.96
Over 1,000,000 shares	1	1	81.98	81.98
	759	728	100.00	100.00

15.5 No. of shares held by the members of the Company Executive Committee :

		No. of shares	
		2015	2014
Mr. M Azizul Huq	Managing Director	-	200
Mr. A.K.M. Firoz Alam	Director, Human Resources	50	50

		Taka in '000	
		At 31st December	
Notes		2015	2014
16 Reserves			
16.1 Revaluation reserve			
	Opening balance	59,479	59,479
	Adjustment made on account of disposal of revalued assets	-	-
	Closing balance	59,479	59,479
The balance represents surplus arising from the revaluation of fixed assets carried out in 1978.			
16.2 Capital reserve			
	Opening balance	166	166
	Adjustment for the year	-	-
	Closing balance	166	166

This is the balance of surplus of assets over liabilities as at 28 February 1974 after issue of shares there against.

17 Retained earnings	2,418,694	2,068,846
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Retained earnings include capital gain, net of tax of Tk. 191,491 thousand arising out of disposal of Bogra, Chittagong and Dhaka properties. This is not remittable until the Bangladesh Bank's restriction thereon is waived.

18 Contingent liabilities		
a. Guarantees issued by the Company's scheduled bank to third parties on counter - indemnities given by the Company against the bank's limit of Tk. 15 million.	1,383	1,258
Less than 1 year	938	
1 to 3 years	83	
3 to 5 years	362	
b. Excise duty on sale of certain quantity of Mycil powder effected after 10 September 1981 which would be payable if the case presently pending with the hon'ble High Court Division of the Supreme Court of Bangladesh is decided against the Company.	873	873
c. An ex-executive of the Company filed a case in the Lower Court against the Company for compensation of Tk. 10.8 million as claimed by the plaintiff due to termination of his services from the Company. The Company filed an appeal in the Higher Court against the verdict passed by the Lower Court.	10,800	10,800
d. There were no other claims against the Company not acknowledged as debts.	-	-
	13,056	12,931

19 Commitments		
a. Capital expenditure		
Contracted but not provided for in these accounts	181,448	33,422
Authorised but not contracted	16,802	-
b. L/C Outstanding	445,183	525,086
	643,433	558,508

		Taka in '000	
	Notes	2015	2014
Rent, rates and taxes		314	214
Office expenses		11,592	12,635
Motor running expenses		12,235	11,000
Other expenses		4,931	4,947
		418,847	380,261
		3,214,409	3,633,725
Opening inventory of work-in-process		147,727	182,382
		3,362,136	3,816,107
Closing inventory of work-in-process		(62,479)	(147,727)
		3,299,657	3,668,380
Opening inventory of finished products		300,789	409,620
Cost of finished products purchased	39	885,961	736,088
Finished products available		4,466,406	4,814,088
Closing inventory of finished products	38	(379,698)	(300,789)
Replacement, medical attention, and other issues		(22,411)	(37,044)
		(402,109)	(337,833)
		4,064,297	4,476,255
22 Selling expenses			
Salaries, wages and welfare		361,319	338,753
Contributions to retirement benefit scheme		18,939	17,242
Advertisement and sales promotion		791,461	850,250
Health Care Organisation (HCO) support expense		1,116	5,628
Health Care Professionals (HCP) expense		156	1,328
Travelling & training		88,462	69,200
Physician samples		7,436	28,154
Professional books		1,922	1,821
Communications		3,245	7,172
Conference and seminar		10,234	30,099
Motor running expenses		16,135	16,432
Depreciation	4.2	27,335	32,626
Office expenses		10,220	8,047
Insurance		1,557	2,317
Computer expenses		14,186	8,129
Other expenses		790	1,625
Promotional allowance		(143,021)	(114,329)
		1,211,492	1,305,494
23 Distribution expenses			
Salaries, wages and welfare		6,536	6,115
Contributions to retirement benefit scheme		582	634
Handling, freight and transport		20	114
Repairs and maintenance		70	2,223
Motor running expenses		245	339
Depreciation	4.2	2,135	1,907
Stock keeping charges		6,959	6,601
Communications		81	57
Insurance		545	28
Office expenses		1,761	2,115
Other expenses		655	325
		19,589	20,458



		Taka in '000	
	Notes	2015	2014
24 Administrative expenses			
Salaries, wages and welfare		159,687	147,931
Contributions to retirement benefit scheme		8,676	9,454
Motor running expenses		15,204	14,482
Depreciation	4.2	19,782	19,796
Communications		3,691	3,821
Computer expenses		2,028	2,425
Travelling and training		15,748	5,928
Insurance		3,844	3,889
Repairs and maintenance		8,069	7,167
Legal and professional fees		18,170	1,284
Subscriptions		212	219
Entertainment expenses		2,378	2,284
Office expenses		7,860	6,379
Bank charges		190	164
Rent, rates and taxes		40,915	39,543
Fuel and power		3,406	3,420
Donations		500	-
Directors' fees		250	160
Workers profit participation fund		59,930	62,226
Community partnership		1,914	2,431
Other expenses		3,276	1,468
		375,730	334,467
25 Other income			
Profit on disposal of property, plant and equipment		5,997	3,768
Scrap sales and other income		6,428	8,211
Profit on sale of oncology assets		487	-
		12,892	11,979
<p>The profit on sale of oncology assets corresponds to the consideration received by the company as per the agreement with Novartis Bangladesh, as a part of the global transaction between GSK Plc and Novartis AG, on sell of its marketed oncology assets to Novartis Bangladesh.</p>			
26 Finance income and cost			
Interest income on:			
Term deposit		100,833	122,383
Special Notice Deposit (SND)		42	49
Housing loan to employees		490	433
		101,365	122,865
Interest expense on:			
Bank overdraft		(185)	(49)
Leasing		(3,123)	(3,043)
		(3,308)	(3,092)
Net finance income		98,057	119,773

27 Business segments information							
	Notes	Pharmaceuticals		Consumer healthcare		Total	
		2015	2014	2015	2014	2015	2014
Gross revenue - net of trade discount & commission		2,465,245	2,277,436	5,240,592	5,973,426	7,705,837	8,250,862
VAT		(255,661)	(231,140)	(751,348)	(832,497)	(1,007,009)	(1,063,637)
Revenue	20	2,209,584	2,046,296	4,489,244	5,140,929	6,698,828	7,187,225
Cost of sales	21	(1,716,298)	(1,653,741)	(2,348,003)	(2,822,514)	(4,064,297)	(4,476,255)
Gross profit		493,286	392,555	2,141,241	2,318,415	2,634,531	2,710,970
Assets and liabilities							
Segment assets (excludes cash and cash equivalents)		1,838,083	1,674,526	854,075	816,764	2,691,221	2,491,290
Segment liabilities (excludes tax liabilities)		783,435	682,243	1,981,836	1,803,901	2,765,071	2,486,144

				Taka in '000	
		Notes	2015	2014	
28 Auditors' remuneration		24			
Audit fee			600	600	
Audit of provident, pension and workers' profit participation & welfare funds and special certifications			70	70	
			670	670	

28 Remuneration of Directors, Managers and Officers

29.1 The details

	2015			2014		
	Directors	Managers & Officers	Total	Directors	Managers & Officers	Total
Remuneration	42,813	414,436	457,249	39,802	395,298	434,900
Housing:						
Rent	6,599	83,582	90,181	5,716	75,679	81,395
Utilities	2,734	29,409	32,143	3,286	26,613	29,899
	9,333	112,991	122,324	9,002	102,292	111,294
Contribution to retirement benefit scheme	3,557	24,762	28,319	4,638	28,933	33,571
Leave passage	3,041	10,012	13,053	500	11,351	11,851
Medical	344	17,688	18,012	415	15,441	15,856
Other	227	3,650	3,877	197	2,743	2,940
	59,315	583,519	642,834	54,354	556,058	610,412
Number	4	688	692	5	620	625

29.2 The Company based on respective employment terms having specified limits provides the following benefits :

- Directors : The Managing Director and the expatriate Executive Director were provided with free furnished accommodation and a chauffeur driven full time vehicle. The other two Executive Directors were provided with a full time vehicle with a driver's costs and certain house furniture and equipment.
- All the managers, in defined grades, are provided with full time car and certain house furniture and equipment.

30 Number of employees engaged

The Company employed 906 (2014: 822) permanent employees and a varying number of casual and temporary workers as required. All permanent employees receive total remuneration in excess of Tk 36,000 per annum.



31 Income tax expense	Notes	2015	2014
Current tax	9	342,481	340,853
Deferred tax	10	(34,891)	14,572
		307,590	355,525

32 Related Party Disclosures

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of BAS-24: Related party disclosure.

Name of the party	Nature of transaction	Nature of relationship	Transaction value Taka in '000	Transaction value Receivable/ (Payable) Taka in '000
GlaxoSmithKline Services Unlimited, UK	Inter Company Services/Fees, Meeting, Training and Seminar	GSK Group Company	15,023	5,823
GlaxoSmithKline Biologicals S.A, Belgium	Import of finished products, promotional allowance & Service fee	GSK Group Company	219,838	(21,347)
GlaxoSmithKline Consumer Healthcare, India	Import of raw & finished products	GSK Group Company	939,975	(103,447)
GlaxoSmithKline Pakistan Limited, Pakistan	Inter Company Services/Fees and Others	GSK Group Company	1,933	1,933
GlaxoSmithKline Pte Ltd., Singapore	Inter Company Meeting, Training and Seminar	GSK Group Company	72	(72)
GlaxoSmithKline Export Ltd., UK	Import of raw & finished products and promotional allowance	GSK Group Company	378,257	(48,278)
GlaxoSmithKline Trading Services Ltd, UK	Inter Company export sales	GSK Group Company	58,924	-
SmithKline Beecham Bangladesh (Pvt) Limited	Inter Company Services	GSK Group Company	2,002	(30,267)
SmithKline (Cambodia) Co., Cambodia	Inter Company Services	GSK Group Company		200
GlaxoSmithKline CH Pte Ltd.	Inter Company Services	GSK Group Company	3,464	3,464
Burroughs Wellcome & Co. (Bangladesh) Ltd.	Inter Company Services	GSK Group Company	38,288	(20,619)

33.1 Transactions with related parties were carried out on commercial terms and conditions and at prices agreed based on intercompany prices.

33 Earnings per share

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Taka in '000	
	2015	2014
Profit for the year	831,079	826,778
	No. of shares	
Weighted average number of ordinary shares	12,046,449	12,046,449
Basic and diluted earnings per share (Taka)	68.99	68.63

	Notes	Taka in '000	
		2015	2014
34 Value of imports - at C&F basis			
Raw & packing materials		1,844,754	1,511,510
Capital goods		102,878	31,809
Stores & spares		6,611	9,459
		1,954,243	1,552,778

	Notes	Taka in '000			
		2015		2014	
35 Consumption					
Raw & packing materials, and stores & spares		%			%
a. Imports - Raw & packing materials	40	80	2,254,574	2,807,861	85
b. Indigenous					
Raw & packing materials		19	542,988	481,301	14
Stores & spares		1	16,417	18,767	1
		20	559,405	500,068	15
		100	2,813,979	3,307,929	100

36 Expenditure incurred in foreign currency			
Foreign travel for the Company's business		19,112	11,019
Technical/professional books, journals and fees		-	1,042

Foreign currency in '000s

37 Value of export business	USD	583	387
	GBP	112	100

38 Closing inventory of each class of goods produced or purchased (At cost)- Note-21

Items	Unit	Taka in '000			
		2015		2014	
		Quantity	Taka	Quantity	Taka
a. Pharmaceuticals					
Tablets and capsules	Million	19	39,683	16	165
Topicals	Tonne	17	45,589	10	36,478
Vials and drops	Thousand	178	157,749	256	123,954
Oral liquids	Kilolitre	28	4,277	2	372
Granules	Tonne	0.22	168	1	1,017
Inhalers	Thousand	275	105,568	122	86,316
			353,036		248,300
b. Consumer Healthcare					
Powder	Tonne	76	16,771	121	18,288
Oral	Thousand	134	9,892	563	34,201
			26,663		52,489
			379,699		300,789



39 Finished products purchased (At cost)-Note-21

Taka in '000

Items	Unit	2015		2014	
		Quantity	Taka	Quantity	Taka
a. Tablets & capsules	Thousand	17,373	85,261	15,499	47,285
b. Topicals	Tonne	31	67,427	24	61,584
c. Injections	Thousand	467	414,243	536	326,183
d. Inhalers	Thousand	509	268,270	445	265,338
e. Oral	Thousand	903	30,760	777	35,698
			865,961		736,088

40 Materials consumed

Notes	2015		2014		
	Quantity	Taka in'000	Quantity	Taka in'000	
i) Pharmaceuticals					
a. Paracetamol powder	91,269 Kg	38,333	86,829 Kg	36,468	
b. Betamethasone valerate	183 Kg	30,820	156 Kg	23,280	
c. Griseofulvin powder	7,501 Kg	38,870	5,504 Kg	26,041	
d. Other items individually below 10% of total consumption		579,840		484,767	
Total pharmaceuticals	Various	687,863	Various	570,556	
ii) Consumer healthcare					
a. Powder	5837 Tonne	1,537,391	8,706 Tonne	2,415,317	
b. Other items individually below 10% of total consumption	Various	572,309	Various	303,289	
Total healthcare		2,109,699		2,718,606	
		2,797,562		3,289,162	
iii) Stores & spares					
Items individually below 10% of total consumption	Various	18,417	Various	18,767	
		Total	2,813,979	Total	3,307,929

41 Installed capacity and actual production

Classes of goods	Unit	Annual installed capacity	Actual production	
			2015	2014
a. Pharmaceuticals				
Tablets and capsules	Million	1200	879	797
Oral liquids	Kilolitre	750	288	264
Vials and drops	Thousand	750	615	510
Topicals	Tonne	200	194	170
Granules	Tonne	60	7	7
b. Consumer healthcare				
Powder	Tonne	1500	1,127	1382

Licensed capacity is no longer enforced and the regulatory authority does not exercise any control over the production.

42 Financial risk management objectives and policies

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Company has also formed 'Risk Management & Compliance Board (RMCB)'.

The objective of the RMCB is to review and assess the quality and effectiveness of the risk management system and ensure that the risk policies are effectively managed and incorporated in the management structure of the Company. It also oversees the risk management strategies to achieve current and accurate compliance with operational and legal requirements and identification of foreseeable trends that could significantly impact the Company's overall business objectives.

42.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. It mainly comprises of trade receivables, advances to suppliers, trade deposits and bank balances. The Company's maximum exposure to credit risk at the reporting date is as follows:

	Taka in '000	
	2015	2014
Loans to employees	1,514	2,001
Advances to employees	7,103	6,370
Advances to suppliers	8,036	10,599
Security deposits	3,527	2,848
Trade receivables	1,035,893	881,893
Other receivables	28,933	25,619
Bank balances	2,870,905	2,536,508
	3,955,911	3,465,838
The aging of trade receivables at the reporting date is as follows:		
Trade receivables		
Not past due	1,035,893	881,893
Past due 1-180 days	-	-
Past due more than 180 days	-	-
	1,035,893	881,893

To mitigate the credit risk against trade receivables, the company has a system of specific credit line period to the distributor. This outstanding period and amount are regularly monitored. The Company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

42.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The table below summarises the maturity profile of the Company's financial liabilities as at the reporting date.

	Taka in '000			
	Less than 12 months	1 to 2 years	2 to 5 years	Carrying amount
Financial liabilities				
2015				
Finance lease	6,052	3,285	5,528	14,865
Trade and other payables	2,710,272	-	-	2,710,272
2014				
Finance lease	9,910	9,337	5,528	24,775
Trade and other payables	2,337,516	-	-	2,337,516

Maintaining sufficient cash, the availability of funding through an adequate amount of committed bank facilities, the company manages the liquidity risk.



4.2.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

4.2.3.1 Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to company's operating activities with the foreign suppliers.

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	Foreign currency	Amount in '000	
		2015	2014
Trade and other receivables	USD	44	499
	GBP	88	141
Cash and bank balances	USD	237	195
	GBP	14	14
Trade and other payables	USD	2,245	2,321
	GBP	(419)	75

The Company did not experience with any unusual profit or loss causing from foreign exchange fluctuation till date. The following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of all currencies applied to assets and liabilities as at reporting date represented in foreign currencies, with all other variables held constant, of the Company's profit/loss before tax.

Change in exchange rate	±	1%	1%
Effect on profit/loss before tax (Taka '000)	±	961	1,165

4.2.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's short-term deposits and running finances.

At the reporting date, the average interest rate of the Company's interest bearing financial instruments was as follows:

	2015	2014	2015	2014
	Effective rates %		Taka in '000	
Financial assets				
Term deposit	3.00%-5.5%	4.5%-9.5%	2,384,390	1,959,221
Financial liabilities				
Finance lease	15.28%	15.68%	14,865	24,775

The Company's policy is to keep its short-term running finances at the lowest level by effectively keeping the positive bank balances. Further, the Company also minimizes the interest rate risk by investing in fixed rate investments like term deposit receipts.

4.2.3.3 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares. The Company also is not exposed to commodity price risk.

	Notes	Taka in '000	
		2015	2014
43 Intangible Assets			
a. Computer Software			
Opening balance		4,374	5,467
Capitalisation during the year		-	-
Amortization to cost of sales during the year	21	(1,093)	(1,093)
Carrying value		3,281	4,374
b. Acquisition of business			
Opening balance		-	-
Capitalisation during the year		156	-
Carrying value		156	-
		3,437	4,374

As part of the global transaction between GSK Plc and Novartis AG, the Company has paid BDT. 156 (Taka'000) to purchase some significant portfolio of vaccine business of Novartis Bangladesh according to the agreement between the Company and Novartis Bangladesh.

44 Comparatives

Previous year's figures and account titles in the financial statements have been rearranged and reclassified, wherever necessary for the purpose of comparison, without, however, creating any impact on the profit and value of assets and liabilities as reported in the financial statements for the current year.

45 Events after the reporting period

Since the reporting period there has been no material changes affecting the financial position of the Company.



Director



Director



Director & Company Secretary



CONTACT DETAILS



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Maijdee

Red Crescent Bhaban
Maijdee Court, Noakhali
P.O. Box-Maijdee-3800
Phone: (0321)62988

Comilla

204, Shaheed Shamsul Hague Sarak
P.O. Box-99, Comilla-3500
Phone: (081)69132

Sylhet

3, Paira (2nd floor)
Darga Moholla
Sylhet-3100
Phone: (0821)720899

Jessore

80, Ghope Central Road
New town Housing Estate
P.O. Box-10
Jessore-7400
Phone: (0421)68509

Bogra

Dt. Ishaq Lane
528, Sutrapur, Bogra
Phone: (051)60060, 64746

Dhaka

3rd Floor, 191/A, Tejgaon I/A
Gulshan Link Road, Dhaka-1208
Mobile: 01922 928 952

Mymensingh

6, Mritunjoy School Road
P.O. Box 31, Mymensingh 2200
Phone: (091)67577

Barisal

N. Hossain Complex
Police Line Road
P. O. Box-38
Barisal-8200
Phone: (0431) 2173351

Rangpur

Shajeda Mahal
Civil Station Road
P.O. Box-05, Rangpur 5400
Phone: (0521)62757

Rajshahi

2, Kazi Hata, Greater Road
P.O. Box-04
Rajshahi-6000
Phone:(0721)770948

Khulna

252/3, Sher-E-Bangla Road
Khulna- 9000
Phone:(041)2834037





GlaxoSmithKline Bangladesh Limited

Registered Office: Fouzderhat Industrial Area
North Kattali, Chittagong



PROXY FORM

I/ We, the undersigned being a member named Company hereby appoint

Mr.

of

another member of the Company, whom failing Mr.

of

another member of the Company, as my proxy to vote and act for me, and on my behalf, at the 43rd Annual General Meeting of the Company to be held on Thursday the 21st April, 2016 and at any adjournment thereof.

Dated this.....day of2016

(Signature of the Proxy)

Dated :

.....
(Signature of the Witness)

.....
(Signature of the Shareholders)

Registered Folio No:

Dated:

Note :

A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, duly stamped, must be deposited at the Registered Office of the company not later than 48 hours before the time appointed for the meeting.

ATTENDANCE SLIP

I do hereby record my attendance at the 43rd Annual General Meeting of GlaxoSmithKline Bangladesh Limited being held at hotel Peninsula, Chittagong on Thursday 21st April 2016 at 11:00 a.m.

Full name of the Shareholder _____
(in block letter) Signature

Full name of the Proxy _____
(in block letter) Signature

Shareholder's Folio / BO No _____
(Please complete this and deposit at the registration counter on the day of the AGM)

