

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED
PURSUANT TO 240.13d-2(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 7*)**

THERAVANCE BIOPHARMA, INC.

(Name of Issuer)

Ordinary Shares, par value, \$0.00001

(Title of Class of Securities)

G8807B106

(CUSIP Number)

Victoria A. Whyte

GlaxoSmithKline plc

980 Great West Road

Brentford, Middlesex TW8 9GS

England

Telephone: +44 (0)208 047 5000

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

June 22, 2020

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
GlaxoSmithKline plc	
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)	
(a) <input type="checkbox"/>	
(b) <input type="checkbox"/>	
3. SEC USE ONLY	
4. SOURCE OF FUNDS (see instructions)	
WC	
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)	
6. CITIZENSHIP OR PLACE OF ORGANIZATION	
England and Wales	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER
	9,644,807
	8. SHARED VOTING POWER
	-0-
	9. SOLE DISPOSITIVE POWER
	9,644,807
	10. SHARED DISPOSITIVE POWER
	-0-
	11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	9,644,807
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) <input type="checkbox"/>	
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
15.3% (2)	
14. TYPE OF REPORTING PERSON (see instructions)	
CO	

Footnotes:

(1) Ordinary Shares (as defined below) are held by GSK Finance (No.3) plc, an indirect wholly owned subsidiary of GlaxoSmithKline plc.

(2) Based upon 63,088,131 shares of Theravance Biopharma, Inc.'s (the "Theravance Biopharma") Ordinary Shares outstanding as of April 30, 2020 as reported in the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed by Theravance Biopharma with the Securities and Exchange Commission on May 8, 2020.

Explanatory Note

This Amendment No. 7 to Schedule 13D (this "Amendment No. 7") amends and supplements the statement on Schedule 13D originally filed on March 24, 2016 (as amended by Amendment No. 1 filed on May 13, 2016, Amendment No. 2 filed on February 3, 2017, Amendment No. 3 filed on April 18, 2019, Amendment No. 4 filed on February 18, 2020, Amendment No. 5 filed on February 27, 2020 and Amendment No. 6 filed on June 17, 2020 (the "Schedule 13D")), and is being filed with respect to the ordinary shares, par value \$0.00001 per share (the "Ordinary Shares"), of Theravance Biopharma, Inc., a Cayman Islands exempted company ("Theravance Biopharma"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended by adding the following:

Issuance of the Notes and entry into the Indenture

GSK Finance (No.3) plc ("GSK Finance"), a wholly-owned subsidiary of GlaxoSmithKline plc ("GSK"), issued \$280,336,000 of Exchangeable Senior Notes due 2023 ("the Notes"), initially exchangeable into 9,644,792 Ordinary Shares. The Notes are guaranteed by GSK and will be exchangeable at the option of noteholders on any business day on or after September 1, 2020.

The Notes will mature on June 22, 2023 (the "Maturity Date") and do not bear interest. The Notes were offered at an issue price 108.5% of their principal amount. The initial exchange rate is 34.4044 Ordinary Shares per \$1,000 principal amount of Notes, which is equivalent to an initial exchange price of approximately \$29.0660 per share, representing a premium of 35% over the volume weighted average price of the Ordinary Shares from 9:30 a.m. to 4:00 p.m., New York City time on June 17, 2020. Upon exchange of the Notes, GSK Finance expects to deliver Ordinary Shares but may at its option under certain circumstances, deliver cash or a combination of Ordinary Shares and cash.

In connection with the issuance of the Notes, GSK Finance, GSK and Deutsche Bank Trust Company Americas, as trustee, entered into an indenture dated as of June 22, 2020 (the "Indenture").

GSK Finance, GSK, Theravance Biopharma and Barclays Capital, Inc. ("Barclays") entered into a purchase agreement, dated as of June 17, 2020, pursuant to which, subject to the terms and conditions contained in the purchase agreement, GSK Finance agreed to sell to Barclays, and Barclays agreed to purchase from GSK Finance, the aggregate principal amount of the Notes.

The offering of the Notes was not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes were offered by means of an offering memorandum solely to persons reasonably believed to be "qualified institutional buyers" (as that term is defined in Rule 144A under the Securities Act) that are also "qualified purchasers" (within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended).

2020 Registration Rights Agreement

Ordinary Shares received upon exchange of the Notes are expected to be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act. On June 22, 2020, Theravance Biopharma, GSK Finance and GSK entered into a registration rights agreement (the "2020 Registration Rights Agreement"). Under this agreement, Theravance Biopharma will file a shelf registration statement with the SEC covering resales of the Ordinary Shares received by holders upon exchange of the Notes, use all reasonable efforts to cause the shelf registration statement to become effective under the Securities Act on or prior to September 1, 2020 and use its reasonable efforts to keep the shelf registration statement effective after its effective date until the earlier of: (i) the sale under the shelf registration statement or Rule 144 under the Securities Act of all of the Ordinary Shares delivered upon exchange of the Notes; (ii) the date on which all of the Ordinary Shares remaining to be sold under the shelf registration statement (in the reasonable opinions of counsel to GSK and the GSK Finance) may be immediately resold to the public under Rule 144 under the Securities Act or any successor provision; or (iii) six months from the Maturity Date. The 2020 Registration Rights Agreement includes additional customary covenants, including the ability of Theravance Biopharma to suspend use of the shelf registration statement under certain circumstances.

Waiver of Rights under the 2014 Registration Agreement and Voting Arrangement

On June 22, 2020, GSK Finance and Glaxo Group Limited entered into an agreement with Theravance Biopharma (the “Waiver and Voting Agreement”) under which GSK Finance and Glaxo Group Limited agreed to waive all notice rights and registration rights under the registration rights agreement dated March 3, 2014, as amended on February 10, 2020. The parties to the Waiver and Voting Agreement have further agreed that the waiver of such registration rights will terminate upon the earlier of (i) the Maturity Date, (ii) any such other date on which the Notes are no longer issued and outstanding or (iii) at any time that Glaxo Group Limited or GSK Finance, as the case may be, determines that it can no longer own Ordinary Shares under applicable laws or regulations.

The Waiver and Voting Agreement provides that GSK Finance and Glaxo Group Limited will vote Ordinary Shares on all matters, at the election of the GSK Finance, either in accordance with the recommendation of the independent directors of the board of Theravance Biopharma or in proportion to the votes cast by the other holders of Ordinary Shares, unless the matter involves (i) any proposal to issue Ordinary Shares that would result in any person or group (within the meaning of Section 13(d)(3) of the Exchange Act) other than the GSK Finance and its affiliates owning or having the right to acquire or intent to acquire beneficial ownership of 20% or more of the outstanding Ordinary Shares or (ii) any change in control of Theravance Biopharma.

The voting arrangement under the Waiver and Voting Agreement terminates at the earliest of (i) the maturity date of the Notes, (ii) a change in the composition of more than 50% of the members of the board of directors of Theravance Biopharma as of the date hereof and (iii) the effective time of a change in control of Theravance Biopharma.

Cooperation Agreement

On June 22, 2020, the GSK Finance, GSK and Theravance Biopharma entered into a cooperation agreement (the “Cooperation Agreement”). The Cooperation Agreement provides that GSK Finance and GSK will provide certain notices and information to Theravance Biopharma in relation to the Notes and the exchange of the Notes and that GSK Finance will exercise its option to cash settle exchanges of the Notes under the terms of the Notes only under certain circumstances (such as where it is practically difficult to deliver the noteholder’s pro rata share of the property to be delivered on exchange of the Notes or where the Notes submitted for exchange have an aggregate principal amount of less than \$1,000,000).

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The information set forth in Item 4 this Schedule 13D is incorporated by reference in its entirety into this Item 6.

Item 7. Material to Be Filed as Exhibits.

Exhibit Name

- 8 [Indenture among GSK Finance, GSK, as guarantor and Deutsche Bank Trust Company Americas, as trustee dated as of June 22, 2020.](#)
 - 9 [Registration Rights Agreement among Theravance Biopharma, GSK Finance and GSK dated June 22, 2020.](#)
 - 10 [Waiver and Assignment of Registration Rights and Voting Agreement among GSK Finance, Glaxo Group Limited and Theravance Biopharma dated as of June 22, 2020.](#)
 - 11 [Cooperation Agreement among Theravance Biopharma, GSK Finance and GSK dated June 22, 2020.](#)
-

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: June 22, 2020

GLAXOSMITHKLINE PLC

By: /s/ Victoria A. Whyte

Victoria A. Whyte
Authorized Signatory

GSK FINANCE (NO.3) PLC
as ISSUER

GLAXOSMITHKLINE PLC
as GUARANTOR

AND

DEUTSCHE BANK TRUST COMPANY AMERICAS

as TRUSTEE, PRINCIPAL PAYING AGENT, TRANSFER AGENT, REGISTRAR and
PRINCIPAL EXCHANGE AGENT

EXCHANGEABLE SENIOR NOTES DUE 2023

Indenture

Dated as of June 22, 2020

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EXHIBIT A FORM OF GLOBAL NOTE**EXHIBIT B FORM OF CERTIFICATED NOTE****EXHIBIT C FORM OF REDEMPTION NOTICE****EXHIBIT D FORM OF EXCHANGE NOTICE****EXHIBIT E FORM OF IMPORTANT NOTICE**

THIS INDENTURE, dated as of June 22, 2020, is among GSK Finance (No.3) plc, a public limited company incorporated under the laws of England and Wales (the “Issuer”), GlaxoSmithKline plc, a public limited company incorporated under the laws of England and Wales, as Guarantor (the “Guarantor”), and Deutsche Bank Trust Company Americas, as trustee (in such capacity, the “Trustee”), principal paying agent (in such capacity, the “Principal Paying Agent”), transfer agent (in such capacity, the “Transfer Agent”), principal exchange agent (in such capacity, the “Principal Exchange Agent”) and registrar (in such capacity, the “Registrar”).

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Issuer’s Exchangeable Senior Notes due 2023 issued hereunder.

ARTICLE I.

DEFINITIONS

Section 1.1. Definitions

“Additional Amounts” has the meaning ascribed thereto in Section 3.1(b).

“Affiliate” means, with respect to a Person, another Person controlling, controlled by or under common control with such Person. For the purposes of this definition, control of a Person shall mean the power, direct or indirect, (i) to vote more than 50% of the securities having ordinary voting power for the election of directors of such Person, or (ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“Agents” has the meaning ascribed thereto in Section 7.2(a).

“Agent Members” has the meaning ascribed to it in Section 2.6(e).

“Authenticating Agent” has the meaning ascribed to it in Section 2.2(d).

“Authorized Agent” has the meaning ascribed to it in Section 11.6(c).

“Authorized Person” means any person who is designated in writing by the Issuer from time to time to give Instructions to the Trustee and/or an Agent under the terms of this Indenture.

“authorized denomination” means denominations of \$250,000 and multiples of \$1,000 in excess thereof.

“Bankruptcy Law” means Title 11 of the U.S. Code, or any similar federal, state or non-U.S. law for the relief of debtors.

“Board of Directors” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions in the City of New York or London, England are authorized or obligated by law, regulation or executive order to be closed.

“Calculation Period” has the meaning ascribed thereto in Section 1.1.

“Calculation Period Commencement Date” means (a) in the case of any exchange in respect of which the Exercise Date is prior to March 22, 2023, other than as set forth in clause (b) below, the third Trading Day following the Exercise Date, (b) in the case of any exchange in respect of which the Exercise Date is on or after the date on which the Company gives a notice of redemption but on or prior to the fifth Business Day prior to the Redemption Date, the 26th scheduled Trading Day prior to the Redemption Date, or (c) in the case of any exchange in respect of which the Exercise Date is on or after March 22, 2023, the 26th scheduled Trading Day prior to the Maturity Date.

“Capital Distribution” means any distribution of assets in kind (and, for these purposes, a distribution of assets in kind includes, without limitation, an issue of shares or other securities credited as a share capitalization), in each case to all, or substantially all, holders of the Shares but excludes cash.

If applicable, references in the definition of “Capital Distribution” to Shares shall be construed as references to any other securities comprising the Exchange Property.

“Cash Distribution” means any cash dividend or cash distribution of any kind, in each case to all, or substantially all, holders of the Shares.

If applicable, references in the definition of “Cash Distribution” to Shares shall be construed as references to any other securities comprising the Exchange Property.

“Cash Option Exercise Date” has the meaning ascribed thereto in Section 8.2(b).

“Cash Settlement Amount” means a cash amount equal to the aggregate of the following:

- (1) the product of (A) the number of Shares comprised in the relevant Cash Settlement Portion on the relevant Calculation Period Commencement Date and (B) the arithmetic average of the Volume Weighted Average Prices for one Share for the 20 consecutive Trading Days (the “Calculation Period”) beginning on (and including) the Calculation Period Commencement Date; and
- (2) in the case of any other Relevant Securities (other than Shares) that are publicly traded securities and included in the Exchange Property on the relevant Calculation Period Commencement Date, the product of (A) the number of such publicly traded securities comprised in the relevant Cash Settlement Portion on the relevant Exercise Date and (B) the Volume Weighted Average Price for one of such securities for the Trading Days in the Calculation Period; and

- (3) in the case of any other non-cash assets or non-publicly traded securities comprised in the relevant Cash Settlement Portion on the relevant Calculation Period Commencement Date for which a value cannot be determined pursuant to paragraph (2) above, the Independently Determined value on the Exercise Date;

provided that if the Volume Weighted Average Price for the Shares or any other Relevant Security is not available on all of the Trading Days during the Calculation Period, then the arithmetic average of all such Volume Weighted Average Prices for each Share and each Relevant Security that are available in such Calculation Period shall be used (subject to a minimum of five such Volume Weighted Average Prices); and

provided, further, if fewer than five of such Volume Weighted Average Prices are available in such Calculation Period, then the arithmetic average of the Volume Weighted Average Prices for the Shares or other Relevant Securities shall be deemed to be the arithmetic average quotations for the Shares or other Relevant Securities as Independently Determined; and

provided, further, that if at any time during the Calculation Period the Shares or other Relevant Securities or other securities that are equity securities shall have been traded or quoted ex-dividend or other entitlement and during some other part of the Calculation Period the Shares or other Relevant Securities or other securities shall have been traded or quoted with the right to receive the related dividend or other entitlement, then the Volume Weighted Average Prices or Independently Determined value (as the case may be) on the dates on which such Shares or other Relevant Securities or other securities, respectively, shall have been traded or quoted ex-dividend shall, for the purpose of such calculation, be deemed to be the amount thereof increased by an amount equal to the amount of that dividend or entitlement per Share or other Relevant Security or other security, respectively (excluding any associated tax credit and less the tax (if any) to be deducted on payment thereof imposed by any taxing authority) if such dividend or entitlement is not otherwise included in the Exchange Property in respect of such dates.

“Cash Settlement Notice” means the notice delivered by the Issuer with respect to the exercise of its Cash Settlement Option.

“Cash Settlement Option” has the meaning ascribed thereto in Section 8.1(b).

“Cash Settlement Portion” means, with respect to any exchange, the portion of the *pro rata* share of the Exchange Property to which the Issuer elects to exercise its Cash Settlement Option and which, as a result, will be settled in cash.

“Certificated Note” means any Note issued in fully registered certificated form (other than a Global Note), substantially in the form of Exhibit B.

“Compensation Amount” has the meaning ascribed to it in Section 8.17.

“Corporate Trust Office” means the principal corporate trust office of the Trustee, which office at the date hereof is located at Deutsche Bank Trust Company Americas, 60 Wall Street, 24th Floor, MS: NYC60-2405 New York, New York 10005, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer, or the principal corporate trust office of any Successor Trustee or such other address as such Successor Trustee may designate from time to time by notice to the Holders and the Issuer.

“Current Market Value” of the Shares and other property comprising the Exchange Property (other than cash) on any particular date means the aggregate of:

- (1) the value of the Shares on such date calculated using the arithmetic average of the Volume Weighted Average Prices for one Share for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date (the “Relevant Period”); and
- (2) the value of other Relevant Securities (other than Shares) that are publicly traded securities included in the Exchange Property on such date calculated using the arithmetic average of the Volume Weighted Average Prices for one Relevant Security for the Relevant Period;

provided that if at any time during the Relevant Period the Shares or other Relevant Securities that are equity securities shall have been traded or quoted “ex” of a dividend or other entitlement and during some other part of the Relevant Period the Shares or such other Relevant Securities shall have been traded or quoted with the right to receive such dividend or other entitlement, then:

- (a) if on such date the Issuer was not the holder to which such dividend or other entitlement was payable, then, the Volume Weighted Average Prices or other applicable prices on the dates on which such Shares or other securities shall have been traded or quoted with the right to receive such dividend or other entitlement shall, for the purpose of such calculation, be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend or other entitlement per Share or other security; or
- (b) if on such date the Issuer was the holder to which such dividend or other entitlement was payable, then, the Volume Weighted Average Prices or other applicable prices on the dates on which such Shares or other securities shall have been traded or quoted ex-dividend shall, for the purpose of such calculation, be deemed to be the amount thereof increased by such similar amount;

provided, further, that for the purposes of paragraphs (1) and (2) above, if such Volume Weighted Average Price for any other Relevant Security is not available on one or more of the days in the Relevant Period, then the arithmetic average of the said Volume Weighted Average Prices or other applicable prices which are available during the Relevant Period shall be used (subject to a minimum of five such prices, and, if fewer than five such prices are available, then paragraph (3) below shall apply); and

- (3) the value of all other assets and of publicly traded securities on a particular date for which a value cannot be determined pursuant to paragraph (1) or (2) which are included in the Exchange Property as Independently Determined.

References to the “Current Market Value” per Share or of Shares or Relevant Securities or property comprised in the Exchange Property shall be to the value of such Share, Shares or securities or property determined in accordance with paragraph (1), (2) or, as the case may be, (3) above of the definition of “Current Market Value”.

For purposes of the Indenture, references to the Nasdaq Global Market (the “Nasdaq”) shall, if the Shares are not traded on the Nasdaq at the relevant time, be construed as references to such other stock exchange or quotation system on which the Shares are so traded at such time, and which constitutes the principal trading market for the Shares, as the Issuer shall reasonably determine (and references to “Trading Days” and “Current Market Value” shall be construed accordingly).

“Custodian” means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

“Default” means any Event of Default or any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

“Depository” means, with respect to each Global Note, the Person specified in Section 2.6(a) as the Depository with respect to such Notes, until a successor shall have been appointed and become such pursuant to the applicable provisions of this Indenture, and thereafter, “Depository” shall mean or include such successor.

“Distributable Cash” means any Cash Distribution to the extent that it, when taken together with the aggregate of all Cash Distributions made or paid in respect of the Shares or other Relevant Securities constituting Exchange Property between the Issue Date and the date on which such Cash Distribution is made or paid, as the case may be, up to that point in time (and not taking into account any redemption, purchase or exchange of the Notes prior to such time) exceeds an amount equal to 10% of the aggregate principal amount of the Notes on the Issue Date.

“Event of Default” has the meaning ascribed to it in Section 6.1.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Exchange Agent” means the Principal Exchange Agent and/or any additional exchange agent appointed by the Issuer, as applicable.

“Exchange Notice” has the meaning ascribed thereto in Section 8.3(b), substantially in the form of Exhibit D.

“Exchange Period” has the meaning ascribed thereto in Section 8.2.

“Exchange Property” means the Relevant Securities and such other property as may be available to the Holders upon exchange of the Notes. The initial Exchange Property is as specified in Section 8.7(a).

“Exchange Right” has the meaning ascribed thereto in Section 8.1(a).

“Executed Documentation” has the meaning ascribed thereto in Section 2.2(b).

“Exercise Date” has the meaning ascribed thereto in Section 8.3(d).

“Final Exchange Date” means the fifth Business Day before the Maturity Date (or, if applicable, the fifth Business Day before the Redemption Date).

“Free Float” means the aggregate holding of Shares (or any other Relevant Securities received as consideration in any Offer for the purchase of the Shares) by holders that own (together with any other Person or Persons with whom they act in concert) Shares (or such other Relevant Securities) representing less than 10% of the total number of issued and outstanding Shares (or such Relevant Securities).

A “Free Float Event” shall occur when for any period of at least 30 consecutive calendar days the number of Shares or other Relevant Securities comprising the Free Float is equal to or less than 20% of the total number of issued Shares or Relevant Securities, respectively.

A “Fundamental Change” means (i) the occurrence of a Theravance Change in Control, (ii) the occurrence of a Free Float Event, or (iv) the occurrence of a Termination in Trading.

“Fundamental Change Purchase Price” has the meaning ascribed to it in Section 5.1.

“Fundamental Change Redemption Period” has the meaning ascribed to it in Section 5.1.

“Global Notes” means the restricted Global Notes, substantially in the form of Exhibit A.

“Guarantee” means the guarantee of the Guarantor as endorsed on each Note authenticated and delivered pursuant to this Indenture and shall include the guarantee of the Guarantor set forth in Article X of this Indenture and shall include all other obligations and covenants of the Guarantor contained in this Indenture and the Notes.

“Guarantor” means, at any time, each Person guaranteeing the Issuer’s obligations under this Indenture and the Notes at such time pursuant to Article X.

“Holder” means the Person in whose name a Note is registered in the Note Register.

“Indenture” means this Indenture, including all exhibits hereto, in each case as amended or supplemented from time to time.

“Independently Determined” means, with respect to any determination of value or other determination, to be determined in good faith by an independent investment bank (in the case of securities) or an independent appraiser (in the case of other assets), in each case of international reputation, selected by the Issuer, acting as an expert and at the expense of the Issuer.

“Initial Purchaser” has the meaning ascribed thereto in Section 2.1(a).

“Instructions” means any written notices, written directions or written instructions received by the Trustee and/or an Agent under the terms of this Indenture from an Authorized Person or from a person reasonably believed by the Trustee and/or an Agent to be an Authorized Person.

“Investment Company Act” means the U.S. Investment Company Act of 1940, as amended.

“Issue Date” means June 22, 2020.

“Issuer” means the party named as such in the introductory paragraph to this Indenture and its successors and assigns, including any Successor Entity that becomes such in accordance with Article IV.

“Issuer Order” has the meaning ascribed thereto in Section 2.2(d).

“Last Reported Sale Price” of the Shares or any Relevant Securities on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. national or regional securities exchange on which the Shares or Relevant Securities are traded. If the Shares or Relevant Securities are not listed for trading on a U.S. national or regional securities exchange on the relevant date, the “Last Reported Sale Price” will be the last quoted bid price for the Shares in the over-the-counter market on the relevant date as reported by OTC Markets Group Inc. or a similar organization. If the Shares or Relevant Securities are not so quoted, the “Last Reported Sale Price” will be the average of the mid-point of the last bid and ask prices for the Shares or Relevant Securities on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Issuer for this purpose.

“Losses” means any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by any party to this Indenture.

“Market Disruption Event” means (i) a failure by the primary exchange on which the Shares or other Relevant Securities trade to open for trading during its regular trading session or (ii) the occurrence or existence for more than one half-hour period in the aggregate on any scheduled trading day for the Shares or other Relevant Securities of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Nasdaq or otherwise) in the Shares or other Relevant Securities or in any options, contracts or future contracts relating to the Shares or other Relevant Securities, and such suspension or limitation occurs or exists at any time before 1:00 p.m. (New York City time) on such day.

“Maturity Date” means June 22, 2023.

“Merger” means a merger, reorganization, spin-off, split-off, compromise, liquidation, dissolution, or similar matter (whether or not involving liquidation or dissolution).

“Nasdaq” has the meaning ascribed thereto in Section 1.1.

“Note Register” has the meaning ascribed to it in Section 2.3(a).

“Notes” means any of the Issuer’s Exchangeable Senior Notes due 2023 issued and authenticated pursuant to this Indenture.

“Offer” means an offer to acquire any Relevant Securities, whether expressed as a legal offer, an invitation to tender or in any other way, in circumstances where such offer is available to all holders of the applicable Relevant Securities or all such holders other than any holder who is, or is connected with, or is deemed to be acting in concert with, the person making such offer (or is excluded from the offer by reason of being connected with one or more specific jurisdictions).

“Offer Consideration” has the meaning ascribed to it in Section 8.17.

“Offer Proportion” has the meaning ascribed to it in Section 8.17.

“Offered Cash Amount” has the meaning ascribed to it in Section 8.17.

“Offered Property” has the meaning ascribed to it in Section 8.17.

“Offered Property Value” has the meaning ascribed to it in Section 8.17.

“Offering Memorandum” means the Preliminary Offering Memorandum, dated June 17, 2020, relating to the Notes, as supplemented by the related pricing term sheet.

“Officer” means, with respect to the Issuer or the Guarantor, either any director or officer thereof, including the Company Secretary, or any authorized signatory appointed by a resolution of the board of the Issuer or the Guarantor, as the case may be, or granted a power of attorney.

“Officers’ Certificate” means a certificate executed by any Officer of the Issuer or of the Guarantor, as the case may be, and in each case delivered to the Trustee.

“Opinion of Counsel” means a written opinion of counsel, who may be an employee of or counsel for the Issuer, the Guarantor or the Trustee.

“Outstanding” means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

- (i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes, or portions thereof, for whose payment or redemption money sufficient to pay all principal and other amounts, if any, payable on that date with respect to the Notes has been theretofore deposited with any Paying Agent (other than the Issuer) in trust or set aside and segregated in trust by the Issuer (if the Issuer shall act as Paying Agent) for the Holders of such Notes and the Paying Agent is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture; *provided* that, if the Notes are to be redeemed, the Redemption Notice with respect thereto shall have been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(iii) Notes which have been surrendered pursuant to [Section 2.8](#) or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a bona fide purchaser in whose hands such Notes are valid obligations of the Issuer;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer, the Guarantor or any other obligor upon the Notes or any Affiliate of the Issuer, the Guarantor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer, the Guarantor or any other obligor upon the Notes or any Affiliate of the Issuer, the Guarantor or such other obligor.

"[participants](#)" has the meaning ascribed to it in [Section 2.6\(b\)](#).

"[Paying Agent](#)" means the Principal Paying Agent and/or any additional Paying Agent appointed by the Issuer, as applicable.

"[Person](#)" means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency (in each case whether or not being a separate legal entity).

"[Principal Exchange Agent](#)" means, initially, Deutsche Bank Trust Company Americas, at DB Services Americas, Inc. 5022 Gate Parkway, Suite 200, Jacksonville Florida 32256 Mailstop JCK-01-218 transfer.operations@db.com 1-800-735-7777 option 2, and any successor thereto appointed by the Issuer.

"[Principal Paying Agent](#)" means, initially, Deutsche Bank Trust Company Americas, at Deutsche Bank Trust Company Americas, 60 Wall Street, 24th Floor, MS: NYC60-2405 New York, New York 10005, and any successor thereto appointed by the Issuer.

"[pro rata share of the Exchange Property](#)" means, for each Note at any time, such number of Relevant Securities or amount of other assets then constituting the Exchange Property as is equal to a fractional share of the Exchange Property of which the numerator shall be the principal amount of the Note tendered for exchange and the denominator shall be the aggregate principal amount of the Notes (including the Note to which the *pro rata* share relates) which are outstanding at such time, excluding, for this purpose, the principal amount of the Notes in respect of which Exchange Rights have been exercised by a Holder but the Exchange Property has not yet been delivered and the Exchange Property in respect of such Notes.

“Property Settlement Portion” means, with respect to any exchange, the portion of the *pro rata* share of the Exchange Property to which such exchange relates that is not the Cash Settlement Portion.

“QIB” means any “qualified institutional buyer” (as defined in Rule 144A).

“QIB/QP” means any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of Securities, is both a QIB and a Qualified Purchaser.

“QP” or “Qualified Purchaser” means any “qualified purchaser” (for purposes of Section 3(c)(7) of the Investment Company Act as defined in Section 2(a)(51) of the Investment Company Act).

“Redemption Date” means, with respect to any redemption of Notes, the date fixed for such redemption pursuant to this Indenture.

“Redemption Notice” has the meaning ascribed thereto in Section 5.2(a), substantially in the form of Exhibit C.

“Redemption Price” means the price at which the Notes are to be redeemed, whether on the Maturity Date or any earlier date of redemption at the option of the Issuer or of a Holder.

“Registrar” means, initially, Deutsche Bank Trust Company Americas, at Deutsche Bank Trust Company Americas, 60 Wall Street, 24th Floor, New York, NY 10005, and any successor thereto appointed by the Issuer.

“Registration Rights Agreement” means the Registration Rights Agreement, dated June 22, 2020, relating to the Shares among the Issuer, the Guarantor and Theravance.

“Regulation S” means Regulation S under the Securities Act or any successor regulation.

“Relevant Asset Event” has the meaning ascribed to it in Section 8.10(a).

“Relevant Indebtedness” means any indebtedness of the Guarantor and any Subsidiary that:

(i) is in the form of or represented by bonds, notes, loan stock, depositary receipts or other securities issued (otherwise than to constitute or represent advances made by banks or other lending institutions);

(ii) is denominated in, or confers any right of payment by reference to, any currency other than the currency of the country in which the issuer of the indebtedness has its principal place of business, or is denominated in or by reference to the currency of such country but more than 20% of which is placed or offered for subscription or sale by or on behalf of, or by agreement with, the issuer outside such country; and

(iii) at its date of issue is, or is intended by the issuer to become, quoted, listed, traded or dealt in on any stock exchange, over-the-counter market or other securities market.

“Relevant Period” has the meaning ascribed thereto in Section 1.1.

“Relevant Exchange” means the stock exchange where a Relevant Security is primarily listed and traded.

“Relevant Securities” means Shares and/or any other securities (including, without limitation, any options, warrants, rights or evidences of indebtedness) comprised in the Exchange Property from time to time.

A “Rights Issue” means an offering of additional Shares or other securities, or options, warrants or rights to subscribe or purchase additional Shares or other securities, by way of rights by virtue of being a holder of Relevant Securities.

“Rule 144A” means Rule 144A under the Securities Act (or any successor rule).

“SEC” means the Securities and Exchange Commission.

“Section 3(c)(Z)” means Section 3(c)(7) of the Investment Company Act.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Security Interest” means any mortgage, charge, pledge, lien, fixed or floating charge, hypothec, privilege or other form of encumbrance or security interest.

“Settlement Date” means (i) if the Cash Settlement Option has been exercised in respect of the relevant Exchange Notice, the fifth Business Day following the expiration of the Calculation Period after the relevant Exercise Date or (ii) if the Cash Settlement Option in respect of the relevant Exchange Notice has not been exercised, (a) in the case of any exchange in respect of which the Exercise Date is prior to March 22, 2023, other than as set forth in clause (b) below, the fifth Business Day following the relevant Exercise Date; provided however that if the Exchange Property is comprised solely of cash, the “Settlement Date” shall mean the second Business Day after the relevant Exercise Date, (b) in the case of any exchange in respect of which the Exercise Date is on or after the date on which the Company gives a notice of redemption but on or prior to the fifth Business Day prior to the Redemption Date, the Redemption Date, or (c) in the case of any exchange in respect of which the Exercise Date is on or after March 22, 2023, the Maturity Date. Notwithstanding the foregoing, if the composition of the Exchange Property is to be changed pursuant to Section 8.10 due to the occurrence of a Relevant Asset Event, following the exercise of a relevant Exchange Right, the Settlement Date shall be postponed to the fifth Business Day next following the determination of such change pursuant to the provisions hereof.

“Shares” means Ordinary Shares, par value\$0.00001 each, of Theravance.

“Specified Date” means, in relation to any Offer, the final date for acceptance of such Offer (without taking account of any extension thereof unless such extension is announced prior to such final date).

“Split, Subdivision, Consolidation or Redenomination” has the meaning ascribed thereto in Section 8.8.

“Subsidiary” means, in relation to any Person and at any particular time, any entity of which more than 50% of the issued share capital is then beneficially owned by such Person and/or one or more of its Subsidiaries.

“Successor Entity” has the meaning ascribed to it in Section 4.2.

A “Termination in Trading” means the Shares (or other Relevant Securities into which the Notes are then exchangeable) are not or are no longer approved for or admitted to listing or quotation on any of The New York Stock Exchange, The Nasdaq Global Select Market or the Nasdaq Global Market (or any of their respective successors).

“Theravance” means Theravance Biopharma, Inc., a Cayman Islands exempted company.

A “Theravance Change in Control” shall occur when:

- (1) any “person” or “group” within the meaning of Section 13(d) of the Exchange Act, or their respective subsidiaries (other than Theravance or its wholly-owned subsidiaries), files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate “beneficial owner”, as defined in Rule 13d-3 under the Exchange Act, of more than 50% of the aggregate voting power of all classes or series of Theravance’s share capital stock then outstanding normally entitled to vote in appointments of directors;
- (2) the consummation of any consolidation, merger or share exchange of Theravance (excluding a merger solely for the purpose of changing Theravance’s jurisdiction of incorporation to any state of the United States or any merger, consolidation or share exchange between Theravance and any of its Subsidiaries) pursuant to which the share capital stock of Theravance will be converted into cash, securities or other property;

- (3) Theravance sells, assigns, conveys, leases or transfers all or substantially all of its properties and assets to any Person other than to a wholly-owned Subsidiary of Theravance; *provided, however*, that a transaction in which the holders of all classes of the ordinary shares of Theravance immediately prior to such transaction own immediately after such transaction, directly or indirectly, at least 90% of the aggregate voting power of all classes or series of capital stock, shares or other equity interests of such Person normally entitled to vote in elections of directors shall not be deemed to be a Theravance Change in Control; or
- (4) the holders of the Shares approve any plan or proposal for the liquidation or dissolution of Theravance or any Successor Entity (whether or not otherwise in compliance with this Indenture).

However, a Theravance Change in Control as a result of Clause (1) or (2) above will not be deemed to have occurred if at least 90% of the consideration paid or to be paid for the Shares (or other Relevant Securities into which the Notes are then exchangeable) in the transaction otherwise constituting a Theravance Change in Control, excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights, consists of ordinary shares traded on a U.S. national securities exchange or will be so traded immediately following such acquisition, consolidation, merger or binding share exchange, and, as a result and immediately upon the consummation of the acquisition, consolidation, merger or binding share exchange such consideration, excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights, comprises the Exchange Property.

If applicable, references in the above definition of "Theravance Change in Control" to Theravance shall be construed as references to any successor Person of Theravance following a corporate change, reorganization, acquisition, consolidation or merger.

"Trading Day" means a day on which (i) there is no Market Disruption Event and (ii) the Nasdaq or, if the Shares or other Relevant Securities are not listed on the Nasdaq, the principal other U.S. national securities exchange, if any, on which the Shares or other Relevant Securities are then listed is open for trading and the Nasdaq or such other exchange on such day has a scheduled closing time of 4:00 p.m. (New York City time) or the then standard closing time for regular trading on such exchange or, if the Shares or other Relevant Securities are not so listed, any Business Day.

"Transfer Agent" means, initially, Deutsche Bank Trust Company Americas, at Deutsche Bank Trust Company Americas, 60 Wall Street, 24th Floor, New York, NY 10005, and any successor thereto appointed by the Issuer.

"Trustee" means the party named as such in the introductory paragraph of this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

"Trust Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

“Volume Weighted Average Price“ means, in respect of any Trading Day, the volume weighted average price of the Shares or the Relevant Securities, as the case may be, as displayed under the heading “Bloomberg VWAP” on Bloomberg (or any successor service) page TBPH <Equity> AQR (or its equivalent successor if such page is not available) in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on that Trading Day, or, if such price is not available, the Volume Weighted Average Price means the market value per Share or Relevant Security, as the case may be, on such Trading Day using a volume-weighted average method as Independently Determined.

“Unconditional Date” means, in relation to any Offer, the date the Offer becomes or is declared unconditional in all respects.

“USA Patriot Act” has the meaning ascribed to it in Section 11.12.

Section 1.2. Rules of Construction

Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) “or” is not exclusive;
- (3) “including” means including without limitation;
- (4) words in the singular include the plural and words in the plural include the singular;
- (5) “herein,” “hereof” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision; and
- (6) provisions apply to successive events and transactions.

ARTICLE II.

THE NOTES

Section 2.1. Form and Dating

(a) The Notes are being originally offered and sold by the Issuer pursuant to a Purchase Agreement, dated June 17, 2020, among the Issuer, the Guarantor, Theravance and the initial purchaser named therein (the “Initial Purchaser”). The Notes will be issued in fully registered form without coupons, and only in denominations of \$250,000 and multiples of \$1,000 in excess thereof. The Notes and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A.

(b) The terms and provisions of the Notes, the form of which is in Exhibit A, shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Issuer, the Guarantor and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

(c) The Notes may have notations, legends or endorsements as specified in Section 2.7 or as otherwise required by law, stock exchange rule or rule or usage of the Depository. The Issuer and the Trustee shall approve the form of the Notes and any notation, legend or endorsement on them. Each Note shall be dated the date of its authentication.

Section 2.2. Execution and Authentication

(a) The Notes shall be executed by an Officer of the Issuer by electronic, facsimile or manual signature; and the Guarantee with respect to the Notes shall be executed by an Officer of the Guarantor by electronic, facsimile or manual signature. If an Officer whose signature is on a Note or the Guarantee no longer holds that office at the time the Note or the Guarantee is authenticated, the Note or the Guarantee, as the case may be, shall nevertheless be valid.

(b) Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of the Indenture and all other related documents and all matters and agreements related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Indenture or any other related document or any instrument, agreement or document necessary for the consummation of the transactions contemplated by the Indenture or the other related documents (including, without limitation, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("Executed Documentation") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When the Trustee acts on any Executed Documentation sent by electronic transmission, the Trustee will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such Executed Documentation, notwithstanding that such Executed Documentation (a) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (b) may conflict with, or be inconsistent with, a subsequent written instruction or communication; it being understood and agreed that the Trustee shall conclusively presume that Executed Documentation that purports to have been sent by an authorized officer of a Person has been sent by an authorized officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties.

(c) The Trustee may appoint an authenticating agent acceptable to the Company (the “Authenticating Agent”) to authenticate Notes. The Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such Authenticating Agent.

(d) A Note shall not be valid until the Trustee or Authenticating Agent signs the certificate of authentication on the Note by electronic, facsimile or manual signature. The signature shall be conclusive evidence that the Note has been duly and validly authenticated and issued under this Indenture.

(e) At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery Notes upon a written order of the Issuer signed by an Officer of the Issuer (the “Issuer Order”). An Issuer Order shall specify the amount of the Notes to be authenticated, the number of Certificated Notes to be authenticated, the registered Holder of each Note, delivery instructions and the date on which the original issue of Notes is to be authenticated. The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is limited to \$280,336,000.

(f) In the event that the Issuer should consolidate, amalgamate, merge with or into, or be replaced by, or assign, convey, transfer or lease its properties and assets substantially as an entirety to any Person in accordance with Section 4.2, subject to the restrictions set forth in Section 4.1, and the Successor Entity resulting from or surviving such consolidation, amalgamation, merger or replacement, or having received such assignment, conveyance, transfer or lease, as the case may be, shall have executed an indenture supplemental hereto with the Trustee pursuant to Section 4.2, any of the Notes authenticated or delivered prior to such transaction may, from time to time, at the request of the Successor Entity, be exchanged for other Notes executed in the name of the Successor Entity with such changes in phraseology and form as may be appropriate, but otherwise identical to the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Issuer Order of the Successor Entity, shall authenticate and deliver Notes as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of a Successor Entity pursuant to this Section 2.3 in exchange or substitution for or upon registration of transfer of any Notes, such Successor Entity, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time Outstanding for Notes authenticated and delivered in such new name.

Section 2.3. Paying Agent, Transfer Agent, Exchange Agent, Registrar

(a) The Issuer shall appoint (i) a Principal Paying Agent with an office in the Borough of Manhattan, The City of New York, where Notes may be presented for payment; (ii) a Transfer Agent with an office in the Borough of Manhattan, The City of New York, where Notes may be presented for transfer; (iii) a Principal Exchange Agent with an office in the Borough of Manhattan, The City of New York, where Notes may be presented for exchange; and (iv) an office or agency in the Borough of Manhattan, The City of New York where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall also appoint a Registrar and shall cause it to keep a register of the Notes and of their transfer and exchange (the “Note Register”). Such registration in the Note Register shall be conclusive evidence of the ownership of Notes. The Registrar shall include in the books and records for the Notes notations as to whether such Notes have been paid, exchanged or transferred, canceled, lost, stolen, mutilated or destroyed and whether such Notes have been replaced. In the case of the replacement of any of the Notes, the Registrar shall keep a record of the Note so replaced and the Note issued in replacement thereof. In the case of the cancellation of any of the Notes, the Registrar shall keep a record of the Note so canceled and the date on which such Note was canceled. The Issuer may have one or more co-Registrars and one or more additional Paying Agents or Exchange Agents.

(b) The Issuer shall enter into an appropriate agency agreement with any Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Issuer shall give prompt written notice to the Trustee of the name and address of any Agent and any change in the name or address of an Agent. If the Issuer fails to maintain a Registrar or if the Issuer or the Guarantor fails to maintain a Paying Agent, the Trustee shall act as Registrar and Paying Agent. The Issuer or the Guarantor may remove any Agent appointed by it upon written notice to such Agent and the Trustee; *provided* that no such removal shall become effective until (i) the acceptance of an appointment by a successor Agent to such Agent as evidenced by an appropriate agency agreement entered into by the Issuer or the Guarantor and such successor Agent and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as such Agent until the appointment of a successor Agent in accordance with clause (i) of this proviso. The Issuer, the Guarantor or any affiliate of the Issuer or the Guarantor may act as Paying Agent or Registrar.

(c) The Issuer initially appoints Deutsche Bank Trust Company Americas as Principal Paying Agent, Transfer Agent, Principal Exchange Agent and Registrar, in each case, until such time as another Person is appointed as such. Deutsche Bank Trust Company Americas hereby accepts such appointments.

Section 2.4. Paying Agent to Hold Money in Trust

The Issuer shall require each Paying Agent other than the Trustee (including where acting as the Principal Paying Agent) to agree in writing that such Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal of, and other amounts, if any, on the Notes (whether such money has been paid to it by the Issuer or any other obligor on the Notes), and such Paying Agent shall promptly notify the Trustee in writing of any default by the Issuer (or any other obligor on the Notes) in making any such payment. The Issuer at any time may require the Paying Agent to pay all money held by it to the Trustee and account for any funds disbursed, and the Trustee may at any time during the continuance of any payment default, upon written request to a Paying Agent, require such Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. Upon doing so, the Paying Agent shall have no further liability for the money so paid over to the Trustee. If the Issuer or any Affiliate of the Issuer acts as Paying Agent, it shall, on or before each due date of any payment of principal or other amounts, if any, on the Notes, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient to pay such principal or other amounts, if any, so becoming due until such sum of money shall be paid to such Holders or otherwise disposed of as provided in this Indenture, and shall promptly notify the Trustee in writing of its action or failure to act.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depository participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by the Depository.

Section 2.5. Holder Lists

The Registrar shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee, in writing at such times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders, including the aggregate principal amount of Notes held by each Holder.

Section 2.6. Book-Entry Provisions for Global Notes.

(a) Notes will be represented by one or more restricted Global Notes in definitive, fully registered form bearing the legend set forth in Section 2.7(a). The Issuer initially appoints The Depository Trust Company to act as Depository with respect to each Global Note. Initially, each Global Note shall be issued to the Depository, registered in the name of Cede & Co., as the nominee of the Depository, and deposited with the Trustee as custodian for Cede & Co. The Depository shall be a clearing agency registered under the Exchange Act. The aggregate principal amount of the Global Notes may from time to time be increased or decreased by adjustments made by the Registrar on Schedule A to the Global Note and recorded in the Register, as hereinafter provided.

(b) Ownership of beneficial interests in a Global Note shall be shown on, and the transfer of that ownership shall be effected only through, records maintained by the Depository or its nominee (with respect to interests of persons who have accounts with the Depository (“participants”)) and the records of participants (with respect to interests of persons other than participants). So long as the Depository or its nominee, is the registered owner or holder of a Global Note, the Depository or its nominee shall be considered the sole owner or Holder of the Notes represented by such Global Notes for all purposes under this Indenture and the Notes. No beneficial owner of an interest in a Global Note shall be able to transfer that interest except in accordance with the applicable procedures of the Depository, in addition to those provided under this Indenture. Transfers of beneficial ownership in the Global Notes shall occur only through the Depository.

(c) Payments of the principal of and other amounts on, a Global Note (including, without limitation, any principal or other amounts due upon redemption) shall be made to the Depository or its nominee as the registered owner thereof. None of the Issuer, the Guarantor, the Trustee, any Paying Agent, the Transfer Agent or any Exchange Agent shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(d) Transfers between participants in the Depository shall be effected in the ordinary way in accordance its rules and operating procedures.

None of the Issuer, the Guarantor or the Trustee shall have any responsibility for the performance by the Depository or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

(e) Members of, or participants in, the Depository ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository or any custodian of the Depository, or under such Global Note, and the Depository or its nominee may be treated by the Issuer, the Trustee, any Paying Agent, the Transfer Agent, any Exchange Agent and the Registrar, and any of their respective agents, as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee, any Paying Agent, the Transfer Agent, any Exchange Agent or the Registrar, or any of their respective agents, from giving effect to any written certification, proxy or other authorization furnished by the Depository, or impair, as between the Depository and its respective Agent Members, the operation of customary practices of the Depository governing the exercise of the rights of an owner of a beneficial interest in any Global Note. The registered Holder of a Global Note may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(f) Except as provided below, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of Certificated Notes. Certificated Notes shall be issued to all owners of beneficial interests in a Global Note in exchange for such interests if:

(i) the Depository at any time notifies the Issuer that it is unwilling or unable to continue as a depository or clearing system, as applicable, for the Global Notes, and a successor depository is not appointed by the Issuer within 90 days of the time such notice is given;

(ii) the Depository ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 90 days; or

(iii) an Event of Default with respect to the Notes has occurred and is continuing and such beneficial owner requests that its Notes be issued in physical, certificated form.

In connection with the exchange of an entire Global Note for Certificated Notes pursuant to this paragraph (f), such Global Note shall be deemed to be surrendered to the Trustee or the Paying Agent, as the case may be, for cancellation, and the Issuer shall execute, and the Trustee or the Paying Agent, as the case may be, shall authenticate and deliver, to each beneficial owner identified by the Depository in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations.

Any Certificated Notes issued pursuant to provisions of this paragraph (f) shall bear the legend and otherwise comply as to form as required by Section 2.7 of this Indenture. Holders of an interest in a Global Note may receive such Certificated Notes, which shall be printed and distributed to the Holders by mail to the last available address of such Holders as appears on the Note Register in accordance with the applicable rules and procedures of the Depository in addition to those provided for under this Indenture. In such an event, the Issuer shall notify the Holders, in the manner set forth in Section 11.1, of the applicable procedures for the payment of principal and other amounts, the delivery of Exchange Property, the procedures for transfer and exchange of Notes and the identity and contact information with respect to the then-applicable Paying Agent or Transfer Agent.

(g) Subject to the requirements of the Depository, the Exchange Rights attaching to the Notes in respect of which a Global Note is issued may be exercised by the presentation to or to the order of an Exchange Agent of one or more Exchange Notices duly completed by or on behalf of a holder of a book-entry interest in such Note. Deposit of such Global Note with an Exchange Agent together with the relevant Exchange Notice shall not be required. The exercise of the Exchange Right shall be notified by such Exchange Agent to the Issuer and to the holder of the Global Note. The Issuer shall transfer or deliver the *pro rata* share of the Exchange Property to the person or persons designated in the relevant Exchange Notice in accordance with the procedures set forth in Section 8.3 hereof.

Section 2.7. Restrictive Legend

(a) Each Global Note and each Certificated Note shall bear the legend set forth below on the face thereof:

THIS NOTE AND THE GUARANTEE OF THE NOTE BY GLAXOSMITHKLINE PLC (THE "GUARANTOR") HAVE NOT BEEN AND WILL NOT BE REGISTERED FOR OFFER OR SALE UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES, AND NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED OR INTENDS TO REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE NOTE (INCLUDING ANY BENEFICIAL INTEREST THEREIN) MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH BELOW.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS NOTE BY ACCEPTING DELIVERY HEREOF IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR, THERAVANCE BIOPHARMA, INC. ("THERAVANCE") AND THE TRUSTEE THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT: (1) TO GLAXOSMITHKLINE PLC OR ITS SUBSIDIARIES, OR (2) TO A PERSON WHO IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A "QP") WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A "QIB") WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; AND IN EACH CASE IN A PRINCIPAL AMOUNT (FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING) OF NOT LESS THAN THE MINIMUM DENOMINATION SPECIFIED FOR THIS NOTE PURSUANT TO THE INDENTURE GOVERNING THE NOTES.

EACH TRANSFEREE WHO PURCHASES OR OTHERWISE ACQUIRES THIS NOTE (OR ANY BENEFICIAL INTEREST THEREIN) BY PURCHASING OR OTHERWISE ACQUIRING SUCH NOTE (OR SUCH BENEFICIAL INTEREST) IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR, THERAVANCE AND THE TRUSTEE THAT:

- (A) LESS THAN 40% OF THE ASSETS OF SUCH PURCHASER (AND EACH PERSON FOR WHOM IT IS ACTING) CONSIST OF INVESTMENTS IN THE ISSUER. IT, AND EACH PERSON FOR WHICH IT IS ACTING, (I) IS A QIB THAT IS A QP, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THIS NOTE (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER AND EACH PERSON FOR WHICH IT IS ACTING IS A QP), (III) HAS RECEIVED THE NECESSARY CONSENT TO BE TREATED AS A QP FROM ALL BENEFICIAL OWNERS WHO ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996, WHEN THE PURCHASER OR ANY PERSON FOR WHICH IT IS ACTING IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (IV) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN \$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (V) IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (VI) IS NOT A (i) PARTNERSHIP, (ii) COMMON TRUST FUND, (iii) SPECIAL TRUST PENSION FUND OR RETIREMENT PLAN OR (iv) OTHER ENTITY IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATIONS THEREOF, (VII) UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (VIII) IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION AND HAS FULL POWER TO MAKE THE ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS ON BEHALF OF EACH SUCH ACCOUNT CONTAINED IN THIS LEGEND;

- (B) ANY RESALE OR OTHER TRANSFER OF THIS NOTE THAT IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY;
- (C) IN THE EVENT OF A TRANSFER OF THE NOTE (OR BENEFICIAL INTEREST THEREIN) TO A PERSON THAT IS NOT BOTH A QIB AND A QP, THE ISSUER MAY, IN ITS DISCRETION, EITHER (A) COMPEL SUCH TRANSFEREE TO SELL THE NOTE OR ITS INTEREST THEREIN TO A PERSON WHO IS BOTH A QIB AND A QP AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THE NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (B) ON BEHALF OF SUCH TRANSFEREE (AND SUCH TRANSFEREE BY ACCEPTING DELIVERY OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN IRREVOCABLY GRANTS TO THE ISSUER AND THE ISSUER'S AGENTS FULL POWER AND AUTHORITY TO, ON BEHALF OF SUCH TRANSFEREE), SELL THIS NOTE OR SUCH TRANSFEREE'S INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LEAST OF (1) THE PURCHASE PRICE THEREFOR PAID BY THE ORIGINAL TRANSFEREE, (2) 100 PERCENT. OF THE PRINCIPAL AMOUNT THEREOF AND (3) THE FAIR MARKET VALUE THEREOF;

- (D) THE ISSUER HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER OF THIS NOTE OR INTEREST THEREIN TO A PERSON WHO IS NOT BOTH A QIB AND A QP; AND
- (E) SUCH TRANSFEREE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE GOVERNING THE NOTES TO ANY SUBSEQUENT TRANSFEREE.

NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE OF THIS NOTE MAY BE OBTAINED BY WRITING TO GLAXOSMITHKLINE PLC, 980 GREAT WEST ROAD, BRENTFORD, MIDDLESEX, TW8 9GS, ENGLAND, ATTENTION: CORPORATE FINANCE, TREASURY (EMAIL: CF.TREASURY@GSK.COM).

Section 2.8. Transfer and Exchange

(a) Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Registrar duly executed by the Holder thereof or such Holder’s agent, duly authorized in writing. To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee (or the Authenticating Agent) shall, upon receipt of an Issuer Order, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes, of any authorized denominations and of a like aggregate principal amount, at the Registrar’s request. No service charge shall be made to a Holder for any registration of transfer or exchange of Notes (except as otherwise expressly permitted herein), but the Trustee, a Paying Agent, a Transfer Agent or an Exchange Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

(b) No Note may be sold or transferred (including, without limitation, by pledge or hypothecation) unless such sale or transfer is exempt from the registration requirements of the Securities Act and is exempt under applicable state securities laws.

(c) No Note may be offered, sold or delivered (i) as part of the distribution by the Initial Purchaser at any time or (ii) except in accordance with Rule 144A or an exemption from the registration requirements of the Securities Act, to Persons purchasing for their own account or for the accounts of one or more QIBs for which the purchaser is acting as fiduciary or agent. The Notes may not be sold or resold, as the case may be, in reliance on Regulation S. In addition, no Global Note may at any time be held by or on behalf of Persons that are not QIB/QPs. Neither the Trustee, the Agents nor any other Person shall register the Notes under the Securities Act or any state securities laws.

Upon presentation for exchange or transfer of any Note as permitted by the terms of this Indenture and by any legend appearing on such Note, such Note shall be exchanged or transferred upon the Note Register and one or more new Notes shall be authenticated and issued in the name of the Holder (in the case of exchanges only) or the transferee, as the case may be. No exchange or transfer of a Note shall be effective under this Indenture unless and until such Note has been registered in the name of such Person in the Note Register. Furthermore, the exchange or transfer of any Note shall not be effective under this Indenture unless the request for such exchange or transfer is made by the Holder or by a duly authorized attorney-in-fact at the office of the Registrar.

Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Issuer or the Registrar) be duly endorsed, or be accompanied by a written instrument of transfer, in form satisfactory to the Issuer and the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer evidencing the same indebtedness, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

Neither the Issuer nor the Trustee, any Paying Agent, the Transfer Agent, any Exchange Agent or Registrar shall be required (i) to issue, register the transfer of, or exchange any Note during a period beginning at the opening of 15 Business Days before the day of the mailing of a notice of redemption of Notes selected for redemption under Section 5.1 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(d) So long as the Notes are evidenced by Global Notes and are held by or on behalf of the Depository or its nominee, transfers of a Global Note, in whole or in part, shall only be made in accordance with Section 2.6 and this Section 2.8(d), *provided*, that a beneficial interest in a Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Global Note in accordance with the transfer restrictions set forth in the restricted Note legend on the Note. Except as otherwise expressly permitted herein, transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to nominees of the Depository or to a successor of the Depository or such successor's nominee.

(e) Other Exchanges. In the event that a Global Note is exchanged for Notes in definitive registered form without interest coupons pursuant to Section 2.10 hereof, such Notes may be exchanged for one another only in accordance with such procedures as are substantially consistent with the provisions above, and as may be from time to time adopted by the Issuer and the Trustee.

(f) Notes are issued upon the transfer, exchange or replacement of Notes bearing the legend set forth in Section 2.7 hereof, and if a request is made to remove such legend on such Notes, the Notes so issued shall bear such legend, or such legend shall not be removed, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include such opinion of counsel as may be reasonably required by the Issuer, to the effect that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A under or Section 4(a)(2) of the Securities Act, as applicable, and the Investment Company Act. Upon provision of such satisfactory evidence, the Trustee, at the direction of the Issuer, shall authenticate and deliver Notes that do not bear such legend.

(g) Each Person who becomes a holder of a beneficial interest in Notes represented by an interest in a Global Note shall be deemed to have represented, agreed and acknowledged that (terms used in this paragraph that are defined in Rule 144A and Sections 2(a)(51) and 3(c)(7) of the Investment Company Act are used herein as defined therein):

(i) It and each person for which it is acting (a) is a QIB/QP, (b) is acquiring such Notes (or beneficial interests therein) for its own account or for the account of one or more QIB/QPs as to which the purchaser exercises sole investment discretion and such purchaser or transferee has full power to make the acknowledgements, representations and agreements on behalf of each such account contained in Section 2.8(g)(ii) through (vii) below and in a principal amount of not less than the principal amount of the Notes for the purchaser and for each such account, (c) is aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A, (d) will provide notice of the transfer restrictions in this Section 2.8(g) to any subsequent transferees and (e) is not purchasing such Notes (or beneficial interests therein) with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act, or with the intention of evading, either alone or in conjunction with any other person, the requirements of the Investment Company Act.

(ii) It understands and agrees that the Notes (or beneficial interests therein) and the Guarantee are being offered in a transaction not involving any public offering in the United States or elsewhere within the meaning of the Securities Act or the Investment Company Act, and have not been and will not be registered for offer or sale under the Securities Act or with any securities regulatory authority of any other jurisdiction of the United States and that neither the Issuer nor the Guarantor has registered or intends to register with the SEC as an “investment company” as that term is defined under the Investment Company Act.

(iii) It understands and agrees that the Notes may not be offered, sold, pledged or otherwise transferred except (a) to the Guarantor or its subsidiaries; or (ii) to a QP who the seller reasonably believes is a QIB purchasing for its own account or for the account of one of more QIBs each of which is also a QP as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A in accordance with all applicable securities laws, including the securities laws of any state of the United States. In connection with any transfer of the Notes, the purchaser will furnish to the Issuer, prior to such transfer, such certifications, legal opinions or other information as the Issuer may reasonably require to confirm that such transfer is being made pursuant to an exemption from the registration requirements of the Securities Act or that such transfer will not require the Issuer to register as an “investment company” under the Investment Company Act.

(iv) It and each account for which it is purchasing is acquiring such Notes for its own account for investment purposes and not for sale in connection with any distribution thereof. Less than 40% of the assets of such purchaser (and each person for whom it is acting) consist of investments in the Issuer. It and each person for which it is acting (a) was not formed, reformed, capitalized, recapitalized or operated for the purpose of investing in securities of the Issuer, including the Notes except when each beneficial owner of the purchaser and each person for which it is acting is a QP, (b) to the extent the purchaser or any person for which it is acting is a private investment company formed on or before April 30, 1996, the purchaser has received the necessary consent to its being treated as a QP from its beneficial owners who acquired their interests on or before April 30, 1996, (c) is not a participant-directed employee plan, such as a 401(k) plan or any other type of plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan, (d) is not a broker-dealer that owns and invests on a discretionary basis less than \$25,000,000 in securities of unaffiliated issuers, (e) is not a (i) partnership, (ii) common trust fund, (iii) special trust, pension fund or retirement plan or (iv) other entity in which the partners, beneficiaries or participants, as the case may be, may designate the particular investments to be made or the allocation thereof, and (f) understands that the Issuer or the Guarantor may receive a list of participants holding positions in securities from one or more book-entry depositories.

(v) It understands and agrees that: (a) any purported transfer of such Notes to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void *ab initio*; (b) the Issuer has the power to compel any beneficial owner of Notes that is not a QIB/QP to sell its interest in the Notes or may sell such interest on behalf of such owner, as described in the securities legend contained in Section 2.7(a) hereof; and (c) the Issuer has the right to refuse to honor the transfer of an interest in Notes to a person who is not a QIB/QP. It also understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.

(vi) It understands that the Notes (or beneficial interests therein), including the restricted Global Note, unless otherwise agreed by the Issuer in accordance with applicable law, will bear a legend contained in Section 2.7(a) hereof and may not be reoffered, resold, pledged or otherwise transferred except in accordance with such legend.

(vii) It acknowledges that the Issuer, the Guarantor, the Registrar (in the event that registered Notes are issued in accordance with this Indenture), the Initial Purchaser and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Issuer, the Guarantor and the Initial Purchaser. If it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each account.

(viii) It acknowledges and agrees that the Issuer and the Guarantor will be solely responsible for the performance of any and all obligations under this Indenture and the Notes and shall have no right or claim against Theravance with respect to this Indenture or the Notes.

(h) Any purported transfer of a Note not in accordance with this Section 2.8 shall be null and void and shall have no effect for any purpose hereunder.

Section 2.9. Mutilated, Destroyed, Lost or Stolen Notes

(a) Should any Certificated Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying Agent, the Transfer Agent, any Exchange Agent or the Registrar. Mutilated or defaced Notes must be surrendered before replacements will be issued. If required by the Trustee or the Issuer, a claimant shall furnish an affidavit of loss and indemnity bond sufficient in the judgment of the Issuer and the Trustee to protect the Issuer, the Trustee, the Paying Agents, the Transfer Agent, the Exchange Agents and the Registrar from any loss that any of them may suffer if a Certificated Note is replaced. In the absence of notice to the Issuer or the Trustee that such Certificated Note has been acquired by a bona fide purchaser, the Issuer shall execute and the Trustee shall authenticate and make available for delivery, in exchange for any such mutilated Note or in lieu of any such destroyed, lost or stolen Note, a new Note of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

(b) Upon the issuance of any new Certificated Note under this Section 2.9, the Issuer or the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee and any Paying Agent, the Transfer Agent, any Exchange Agent or the Registrar) in connection therewith.

(c) If at the time a mutilated, lost, destroyed or wrongfully taken Certificated Note is presented such Certificated Note has become or is about to become due and payable, the Issuer may pay such Certificated Note instead of issuing a new Certificated Note in replacement thereof.

(d) Every new Certificated Note issued pursuant to this Section 2.9 in exchange for any mutilated Certificated Note, or in lieu of any defaced, destroyed, lost or stolen Certificated Note, shall constitute an original additional contractual obligation of the Issuer, the Guarantor and any other obligor upon the Certificated Notes, whether or not the mutilated, defaced, destroyed, lost or stolen Certificated Note shall be at any time enforceable by anyone, and every new Certificated Note shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Certificated Notes duly issued hereunder.

Section 2.10. Temporary Notes

Until definitive Notes are ready for delivery, the Issuer may execute temporary Notes and issue an Issuer Order to the Trustee to authenticate such temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer will prepare and execute definitive Notes and issue an Issuer Order to the Trustee to authenticate such definitive Notes. After the preparation of definitive Notes, the temporary Notes will be exchangeable for definitive Notes upon surrender of the temporary Notes at any office or agency maintained by the Issuer for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer will execute one or more definitive Notes representing an equal principal amount of Notes and issue an Issuer Order to the Trustee to authenticate and make available for delivery in exchange therefor such definitive Notes. Until so exchanged, the Holder of temporary Notes shall in all respects be entitled to the same benefits under this Indenture as a Holder of definitive Notes.

Section 2.11. Cancellation

The Issuer at any time may deliver Notes to the Trustee for cancellation. All notes that are redeemed or exchanged in accordance with the terms of this Indenture will be cancelled. Each of the Paying Agent, the Transfer Agent and the Exchange Agent shall forward to the Trustee for cancellation any Notes surrendered to it for registration of transfer, payment or redemption or for exchange, as the case may be. The Trustee and no one else shall cancel and dispose of cancelled Notes in accordance with its customary procedures or return to the Issuer all Notes surrendered for registration of transfer, exchange, payment, redemption or cancellation. The Issuer may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange upon Issuer Order.

Section 2.12. CUSIP Numbers

The Issuer in issuing the Notes may use “CUSIP” numbers (if then generally in use), and, if so, the Issuer or the Trustee shall use the same such numbers in any Exchange Notice as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any such notice and reliance may be placed only on the other identification numbers placed on the Notes. The Issuer will promptly notify the Trustee of any change in the “CUSIP” number.

Section 2.13. Further Issues

The Issuer may from time to time without the consent of the Holders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date) and so that such further issue shall be consolidated and form a single series with the Outstanding Notes or upon such terms as the Issuer may determine at the time of their issue. Any further securities shall be issued under a separate CUSIP or ISIN number unless such securities are otherwise treated as part of the same “issue” of debt instruments as the Outstanding Notes for U.S. federal income tax purposes

Section 2.14. Purchases of the Notes by the Guarantor or any of its Affiliates

The Guarantor may at any time and from time to time purchase Notes at any price in the open market or otherwise. Any Note so purchased, while held by or on behalf of the Guarantor, shall not entitle the holder thereof to vote at any meeting of the Holders and shall not be deemed to be outstanding for the purpose of calculating the percentage of Outstanding Notes in respect of which Holders have consented to any action.

ARTICLE III.

COVENANTS

Section 3.1. Payment of Notes; Additional Amounts

(a) The Issuer (failing whom, the Guarantor pursuant to the Guarantee) covenants and agrees for the benefit of the Holders that it shall duly and punctually pay the principal of and any other amounts due on the Notes, pay other amounts due pursuant to Article VIII, and make all deliveries due upon an exchange of the Notes on the dates and in the manner provided in the Notes and in this Indenture. Not later than 11:00 a.m. New York City time on the due date for any payment due in respect of the Notes of any other amounts pursuant to Article VIII and on the Maturity Date, the Issuer shall deposit with the relevant Paying Agent in same day immediately available funds an amount sufficient to make cash payments due on such due date of payments of any other amounts or the Maturity Date, as the case may be. For the avoidance of doubt, the Principal Paying Agent shall only be obliged to remit money to Holders if it has actually received such money from the Issuer. If the Issuer, the Guarantor or an Affiliate of the Issuer or the Guarantor is acting as Paying Agent, the Issuer, the Guarantor or such Affiliate shall, not later than 11:00 a.m. New York City time on each due date of payments of any other amounts and the Maturity Date, segregate and hold in trust an amount sufficient to make cash payments due on such due date of payments of amounts or the Maturity Date, as the case may be. Principal and any other amounts on the Notes shall be considered paid on the date due if on such date the Trustee or the Paying Agent (other than the Issuer, the Guarantor or an Affiliate of the Issuer or the Guarantor) holds in accordance with this Indenture an amount in cash designated for and sufficient to pay all principal and any other amounts then due, the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture and the Trustee or the Paying Agent, as the case may be, is satisfied that full payment has been received from the Issuer or, upon failure of the Issuer, the Guarantor.

(b) All payments and deliveries made by the Issuer under or with respect to the Notes shall be free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge of any nature whatsoever imposed or levied by or on behalf of the government of the United Kingdom or of any territory of the United Kingdom or by any authority or agency therein or thereof having the power to tax (collectively, "Taxes"), except to the extent such Taxes are required to be withheld or deducted by law or by the interpretation or administration thereof. If the Issuer is required to withhold or deduct any amount for or on account of Taxes from any payment made or amount delivered with respect to the Notes, the Issuer shall pay such additional amounts ("Additional Amounts") as may be necessary such that the net amount received by each Holder (including such Additional Amounts) after such withholding or deduction shall not be less than the amount such Holder would have received if the Taxes had not been withheld or deducted; *provided* that no Additional Amounts will be payable with respect to Taxes:

(i) that would not have been imposed but for the existence of any present or former connection between such Holder or beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Holder or beneficial owner, if such Holder or beneficial owner is an estate, trust, partnership or corporation) and the United Kingdom or any political subdivision or territory or possession thereof or therein or area subject to its jurisdiction, including, without limitation, such Holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or treated as a resident thereof or domiciled thereof or a national thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein;

(ii) that are estate, inheritance, gift, sales, transfer, personal property, wealth or similar taxes, duties, assessments or other governmental charges;

(iii) that are payable other than by withholding from payments of principal of or amounts due on exchange of the applicable Notes;

(iv) that would not have been imposed but for the failure of the applicable recipient of such payment to comply with any certification, identification, information, documentation or other reporting requirement to the extent such compliance is required by applicable law or administrative practice or an applicable treaty as a precondition to exemption from, or reduction in, the rate of deduction or withholding of such Taxes;

(v) that would not have been imposed but for the presentation of a Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof was duly provided for, whichever occurred later;

(vi) that would not have been imposed if presentation for payment of the applicable Notes had been made to a Paying Agent other than the Paying Agent to which the presentation was made;

(vii) that would not have been imposed but for a failure by the Holder or beneficial owner (or any financial institution through which the Holder or beneficial owner holds any Note through which payment on the Note is made) to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the U.S. Internal Revenue Service or any other governmental authority) imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code as in effect on the date of issuance of the Notes or any successor or amended version of such provisions or any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention entered into in connection with the implementation of such sections of the U.S. Internal Revenue Code (or any law implementing such an intergovernmental agreement); or

(viii) any combination of the foregoing clauses (i) through (vii);

nor shall Additional Amounts be paid with respect to any payment of the principal of or delivery of amounts due on exchange of any Note to any such Holder who is a fiduciary or a partnership or a beneficial owner who is other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to such Additional Amounts had it been the Holder of the Note.

The Issuer shall maintain, in respect of the Outstanding Notes, at least one Paying Agent located outside the United Kingdom.

The obligation of the Issuer to pay Additional Amounts if and when due will survive the termination of this Indenture and the payment of all amounts in respect of the Notes.

Wherever in this Indenture or in the Notes there is in any provision any reference to the payment or delivery of amounts due on the Notes, whether at maturity or pursuant to any earlier redemption or repayment or otherwise, references to such amounts shall be deemed to include such Additional Amounts if, as and to the extent such Additional Amounts are payable with respect to such payment or delivery in accordance with the terms of this Indenture and the Notes, whether or not express mention to such Additional Amounts shall be made in any such provision.

Section 3.2. Maintenance of Office or Agency.

(a) The Issuer shall maintain each office or agency required under Section 2.3. The Issuer will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands in respect of the Notes and this Indenture may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

(b) The Issuer may also from time to time designate one or more other offices or agencies (in or outside of New York) where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve either the Issuer or the Guarantor of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Issuer and the Guarantor, as appropriate, will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 3.3. Maintenance of Corporate Existence and Corporate Separateness

Subject to Article IV, the Issuer and the Guarantor will each do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 3.4. Compliance Certificate

Each of the Issuer and the Guarantor will furnish to the Trustee annually, within 120 days after the end of each fiscal year, a brief certificate (which need not contain the statements required by Section 11.3) from its principal executive, financial or accounting officer as to his or her knowledge of the compliance of the Issuer or the Guarantor, as the case may be, with all conditions and covenants under this Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under this Indenture) and, in the event of any Default specifying such Default and the nature and status thereof of which such person may have knowledge.

Section 3.5. Reports to Holders

At any time when the Guarantor is not subject to or is not current in any applicable SEC reporting obligations, the Issuer and the Guarantor shall upon request make available to any Holder or any prospective purchaser of Notes the information required of it by Rule 144A(d)(4) under the Securities Act.

Section 3.6. Notice to Holders and the Depositary

(a) So long as the Notes are outstanding and are deposited with the Depositary or a nominee therefor, the Issuer shall include in any report pursuant to Section 3.5 provided to any Person in whose name any Notes is registered a statement that (i) each such Person is required to be a QIB that is also a QP who shall be deemed to have made the representations and agreements set forth under the heading “Notice to Investors and Transfer Restrictions” in the Offering Memorandum, (ii) each such Person can only transfer the Notes to another QIB that is also a QP who shall be deemed to make the representations and agreements set forth under the heading “Notice to Investors and Transfer Restrictions” in the Offering Memorandum and (iii) the Issuer has the right to force each such Person who is not a QIB that is also a QP to sell its Notes.

(b) The Principal Paying Agent or the Transfer Agent, upon request of the Issuer or the Guarantor, shall on the Issue Date and, for the period during which any Global Notes are outstanding, annually thereafter forward to the Depositary copies of the Important Notice in the form of Exhibit E hereto for delivery to the respective Holders.

Section 3.7. Limitation on Liens

The Guarantor shall not, and shall not permit any Subsidiary to, incur or assume any mortgage, charge, security interest, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien or other security agreement (collectively, “Liens”) on or with respect to any property, assets or revenues of the Guarantor or any Subsidiary owned on or acquired after the date of this Indenture to secure any Relevant Indebtedness without making, or causing any such Subsidiary to make, effective provision for securing the Notes equally and ratably with or prior to such Relevant Indebtedness as to such property, assets or revenues for as long as such Relevant Indebtedness is so secured.

Such restrictions on Liens shall not apply to:

- (i) Liens arising by operation of law;
- (ii) Liens on property, assets or revenues of any Person, which Liens are existing at the time such Person becomes a Subsidiary; or
- (iii) Liens on property, assets or revenues of any Person existing at the time such Person is merged with or into or consolidated with the Guarantor or any Subsidiary, or at the time of a sale, lease or other disposition of the properties of a corporation as an entirety or substantially as an entirety to the Guarantor or any Subsidiary.

ARTICLE IV.

SUCCESSOR ENTITY

Section 4.1. When the Issuer May Merge, Etc.

The Issuer shall not consolidate with, merge with or into, or sell, lease, convey or otherwise transfer all or substantially all of its property and assets to (as an entirety or substantially as an entirety in one transaction or a series of related transactions), any Person (other than with or into the Guarantor) or permit any Person to merge with or into the Issuer unless:

- (a) either (x) the Issuer shall be the continuing Person or (y) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or that acquired or leased such property and assets of the Issuer shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, all of the obligations of the Issuer on all of the Notes and under this Indenture;
- (b) the continuing Person is organized and validly existing under the laws of the United States or the United Kingdom or is organized and validly existing under the laws of a jurisdiction that is a member country of the Organisation for Economic Cooperation and Development (or any successor thereto) and, if such continuing Person is not organized and validly existing under the laws of the United States or the United Kingdom, such continuing Person shall agree in such supplemental indenture to be bound by a covenant comparable to that described in Section 3.1 with respect to taxes imposed in the continuing Person's jurisdiction of organization, and such continuing Person shall benefit from a redemption option comparable to that described in Section 5.7(b) in the event of changes in taxes in such jurisdiction after the date of such consolidation, merger or sale, in each case in form and substance satisfactory to the Trustee;
- (c) the Issuer shall have delivered to the Trustee an Officers' Certificate, and, if the Issuer shall not be the continuing Person, an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with and that such supplemental indenture constitutes the legal, valid and binding obligation of the Issuer or such successor enforceable against such Person in accordance with its terms, subject to customary exceptions; and

- (d) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Section 4.2. Successor Issuer Substituted

Upon any consolidation or merger, or any sale, lease, conveyance or other disposition of all or substantially all of the property and assets of the Issuer in accordance with Section 4.1 of this Indenture, the successor Person formed by such consolidation or into which the Company is merged or to which such sale, lease, conveyance or other disposition (the "Successor Entity") is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such successor Person had been named as the Issuer herein.

Section 4.3. When the Guarantor May Merge, Etc.

The Guarantor shall not consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its property and assets to (as an entirety or substantially as an entirety in one transaction or a series of related transactions), any Person (other than with or into the Issuer) or permit any Person to merge with or into the Guarantor unless:

(a) either (x) the Guarantor shall be the continuing Person or (y) the Person (if other than the Guarantor) formed by such consolidation or into which the Guarantor is merged or that acquired or leased such property and assets of the Guarantor shall expressly assume, by a supplemental indenture, executed and delivered to the Company and to the Trustee, all of the obligations of the Guarantor on the Guarantee and under this Indenture;

(b) the continuing Person is organized and validly existing under the laws of the United States or the United Kingdom or is organized and validly existing under the laws of a jurisdiction that is a member country of the Organisation for Economic Cooperation and Development (or any successor thereto) and, if such continuing Person is not organized and validly existing under the laws of the United States or the United Kingdom, such continuing Person shall agree in such supplemental indenture to be bound by a covenant comparable to that described in Section 3.1 with respect to taxes imposed in the continuing Person's jurisdiction of organization, and such continuing Person shall benefit from a redemption option comparable to that described in Section 5.7(b) in the event of changes in taxes in such jurisdiction after the date of such consolidation, merger or sale, in each case in form and substance satisfactory to the Trustee;

(c) the Guarantor shall have delivered to the Trustee an Officers' Certificate, and, if the Guarantor shall not be the continuing Person, an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with and that such supplemental indenture constitutes the legal, valid and binding obligation of the Guarantor or such successor enforceable against such Person in accordance with its terms, subject to customary exceptions; and

- (d) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Section 4.4. Successor Issuer Substituted

Upon any consolidation or merger, or any sale, lease, conveyance or other disposition of all or substantially all of the property and assets of the Guarantor in accordance with Section 4.3 of this Indenture, the successor Person formed by such consolidation or into which the Guarantor is merged or to which such sale, lease, conveyance or other disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor Person had been named as the Guarantor herein.

ARTICLE V.

REDEMPTION

Section 5.1. Redemption at Option of Holders upon a Fundamental Change

In the event that a Fundamental Change occurs, Holders shall have the right, during the Fundamental Change Redemption Period (as defined below) to require the Issuer to redeem all of their Notes not previously called for redemption, or any portion of the principal amount of such Notes that is an integral multiple of \$1,000 (*provided* that the unredeemed portion of any Note is in an authorized denomination), on the Redemption Date at an amount equal to the aggregate principal amount of the Notes, plus any other amounts due on the Notes to the Redemption Date (the "Fundamental Change Purchase Price").

On or before the 10th Business Day after the occurrence of a Fundamental Change, or, if later, the 10th Business Day after the Issuer or the Guarantor becomes aware of such Fundamental Change, the Issuer or the Guarantor shall provide to all Holders, the Trustee and the Paying Agent a notice of the occurrence of such Fundamental Change and of the resulting purchase right. Such notice shall state:

- (i) the events causing a Fundamental Change;
- (ii) the date of the Fundamental Change;
- (iii) the Redemption Date with respect to any redemption upon a fundamental change and the applicable record date;
- (iv) the Fundamental Change Purchase Price, including the calculation thereof;

- (v) that on the Redemption Date, the Fundamental Change Purchase Price will become due and payable;
- (vi) the Fundamental Change Redemption Period;
- (vii) the name and address of the Paying Agent and the Exchange Agent;
- (viii) the procedures that Holders must follow to require the Issuer to purchase its Notes; and
- (ix) the CUSIP number of the Notes.

The “Fundamental Change Redemption Period” shall commence on the date of the notice to all Holders, the Trustee and the Paying Agent of any such Fundamental Change (pursuant to the second paragraph of this Section 5.1) and end on the thirtieth Business Day following such notice; the “Redemption Date” with respect to any such redemption shall be the second Business Day following the last day of the Fundamental Change Redemption Period.

In relation to any Fundamental Change taking the form of a Merger or an Offer, the Issuer shall at all times be entitled to vote on, exercise its rights in respect of, or otherwise participate in, any such Merger as it thinks fit.

Section 5.2. Notice of Redemption

(a) To exercise the right of redemption in respect of any Note, the Holder thereof shall obtain a notice of redemption substantially in the form of Exhibit C, as may be updated from time to time (the “Redemption Notice”) from the relevant Paying Agent. Such Redemption Notice shall be duly completed in accordance with the applicable procedures of the Depository in which the beneficial interest in the Notes to be redeemed, and shall be delivered to the Issuer, or the relevant Paying Agent on its behalf, on any day during the Fundamental Change Redemption Period, together with the applicable interest in the Global Notes in accordance with the procedures of the Depository. If the Holder holds a Certificated Note, it must deliver such Note, duly endorsed for transfer, together with a written notice of the intent to exercise such redemption right, to the Paying Agent.

If a Holder delivers a Redemption Notice as described above with respect to a Note, it may not surrender that Note for exchange until such notice has been withdrawn in accordance with the provisions of Section 5.2(c).

(b) The Issuer, or the relevant Paying Agent on its behalf, may reject any incomplete or incorrect Redemption Notice. All costs and expenses incurred or caused by an incomplete or incorrect Redemption Notice shall be paid by the relevant Holder.

(c) Holders may withdraw any Redemption Notice (in whole or in part) by a written notice of withdrawal delivered to the Paying Agent prior to 5:00 p.m. New York City time on the second Business day immediately preceding the Redemption Date. The notice of withdrawal shall state the principal amount of the withdrawn Notes, if certificated Notes have been issued, the certificate numbers of the withdrawn Notes or, if not certificated, the notice must comply with appropriate DTC procedures; and the principal amount, if any, which remains subject to the repurchase notice.

Section 5.3. Deposit of Redemption Price

Not later than 11:00 a.m. New York City time on the relevant Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent (or, if the Issuer is acting as Paying Agent, segregate and hold in trust as provided in Section 2.4) an amount of money in same day immediately available funds sufficient to pay the Redemption Price of all the Notes that Holders have proffered for redemption on the relevant Redemption Date.

Section 5.4. Notes Payable on Redemption Date

If a Holder gives notice of redemption in accordance with this Article V, the Notes, or the portions of Notes, delivered to the Paying Agent for redemption shall, on the relevant Redemption Date, become due and payable on the terms set forth herein. Upon surrender of any Note for redemption in accordance with the notice, the Issuer shall pay the redemption price of Notes on the terms set forth in Section 5.1 hereof, as applicable.

Section 5.5. Unredeemed Portions of Partially Redeemed Note

Upon surrender of a Note that is to be redeemed in part, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of the Note at the expense of the Issuer, a new Note or Notes, of any authorized denomination as requested by the Holder, in an aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Note surrendered, *provided* that each new Note will be in a principal amount of \$250,000 and integral multiples of \$1,000 in excess thereof.

Section 5.6. Redemption at Maturity

Unless previously exchanged or redeemed and cancelled as herein provided, the Notes will be repaid by the Issuer at their principal amount on June 22, 2023.

Section 5.7. Redemption at Option of the Issuer

Other than as set forth in this Section 5.7, the Notes will not be redeemable at the option of the Issuer prior to the Maturity Date.

(a) Subject to the provisions of Sections 5.7(b) and (c), prior to June 22, 2022, the Notes will not be redeemable at the option of the Issuer. Subject to Section 5.7(e), on or after June 22, 2022, the Issuer may redeem for cash all or part of the Notes, at its option, if the value of the Exchange Property attributable to \$1,000 principal amount of Notes (based on the Last Reported Sale Price of the Shares or, if applicable, other Relevant Securities, taken together with any cash and the value of any other property comprising the Exchange Property) has been at least \$1,300 for at least 20 Trading Days (whether or not consecutive) during any 30 consecutive Trading Day period (including the last Trading Day of such period) ending on, and including, any of the five Trading Days immediately preceding the date on which the Issuer provides notice of redemption pursuant to Section 5.7(d).

(b) Subject to Section 5.7(e), the Issuer may redeem the Notes in whole but not in part at any time if:

(1) the Issuer determines that, as a result of any change in or amendment to the laws or any regulations or rulings promulgated thereunder of the United Kingdom (or of any political subdivision or taxing authority thereof), or any change in the application or official interpretation of such laws, regulations or rulings, or any change in the application or official interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which any such jurisdiction is a party, which change, execution or amendment becomes effective on or after the Issue Date, the Issuer would be required to pay Additional Amounts in respect of any payment or delivery under or with respect to the Notes and the payment of such Additional Amounts cannot be avoided by the use of reasonable measures available to the Issuer; or

(2) the Issuer determines, based upon an opinion of independent counsel of recognized standing that, as a result of any action taken by any legislative body of, taxing authority of, or any action brought in a court of competent jurisdiction in, the United Kingdom (or any political subdivision or taxing authority thereof) (whether or not such action was taken or brought with respect to the Guarantor or the Issuer, as the case may be), which action is taken or brought on or after the Issue Date, there is a substantial probability that the circumstances described above would exist;

provided, however, that, in either case, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts.

The Issuer will also pay to each holder, or make available for payment to each such holder, on the Redemption Date any Additional Amounts resulting from the payment of such Redemption Price. Prior to the giving of any notice of redemption contemplated by this Section 5.7(b), the Issuer will deliver to the Trustee:

(1) an Officers' certificate stating that it is entitled to effect a redemption in accordance with the provisions of this Section 5.7(b) and setting forth a statement of facts showing that the conditions precedent of the right so to redeem have occurred; and

(2) an Opinion of Counsel to the effect that the conditions specified in this Section 5.7(b) have been satisfied.

If the Issuer provides a notice of redemption in accordance with the provisions of this Section 5.7(b), Holders who elect to exchange their Notes prior to redemption shall be entitled to receive upon such exchange, in addition to the *pro rata* share of the Exchange Property or Cash Settlement Amount, as applicable, an additional compensation amount calculated as though the redemption were an event to which the provisions set forth in Section 8.17 would apply. For purposes of the application of the provisions set forth in Section 8.17:

(i) the notice of redemption shall be deemed to be a "Merger" for purposes of clause (ii) of the first paragraph of Section 8.17;

(ii) such “Merger” shall be deemed to include solely an “Offered Cash Amount;”

(iii) for purposes of “MP”, the Current Market Value shall be determined as of the date on which the notice of redemption is provided by the Issuer to holders of the Notes (the “Notice Date”); and

(iv) the Notice Date shall be deemed to be the “Specified Date.”

(c) Subject to Section 5.7(e), in the event that at any time at least 90% of the original issued aggregate principal amount of Notes have been redeemed, exchanged or purchased and cancelled, the Issuer may, at its option, redeem the remaining Outstanding Notes in whole but not in part.

(d) The right of Holders to exchange Notes selected for redemption will expire 5:00 p.m. New York City time on the fifth Business Day prior to the Redemption Date.

Any redemption of the Notes at the option of the Issuer in accordance with the provisions of this Section 5.7 shall be upon not less than 30 nor more than 60 days’ notice to the Holders and the Trustee (which notice will be irrevocable and must be given in the manner set forth in Sections 5.8 and 12.1) at a Redemption Price equal to 100% of the principal amount of the Notes to be redeemed.

Such notice shall identify the Notes to be redeemed (including the CUSIP number) and shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) the name and address of the Paying Agent;

(iv) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(v) that, if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, on and after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion thereof will be reissued in an authorized denomination;

(vi) that Notes selected for redemption may be exchanged for Shares until the close of business on the fifth Business Day prior to the Redemption Date;

(vii) that, if any Note contains a CUSIP, ISIN or Common Code number, no representation is being made as to the correctness of such CUSIP, ISIN or Common Code number either as printed on the Notes or as contained in the notice of redemption and that reliance may be placed only on the other identification numbers printed on the Notes; and

(vii) the section of the Indenture pursuant to which the Notes called for redemption are being redeemed.

(e) Notwithstanding any other provision of Section 5.7, the Issuer shall not be permitted to redeem the Notes if a prospectus relating to resales of the Shares as contemplated by the Registration Rights Agreement is not available to holders of the Shares to be received upon the exchange of Notes who have complied with applicable procedures under the Registration Rights Agreement and are listed in the related prospectus or a supplement thereto at the time the Issuer provides the related notice of redemption pursuant to Section 5.7(d) or if Theravance has given notice that such prospectus will be unavailable at any time prior to the related Redemption Date.

Section 5.8. Election to Redeem by the Issuer

Prior to the giving of any notice of redemption of the Notes pursuant to Section 5.7, the Issuer shall deliver to the Trustee an Officer's Certificate in accordance with Section 11.2(a)(i) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred.

ARTICLE VI.

DEFAULTS AND REMEDIES

Section 6.1. Events of Default

An "Event of Default" shall mean any one of the following events with respect to the Notes:

(a) default in payment of the principal of any Note (including any Additional Amounts with respect thereto) when due (including upon any redemption of the Notes at the option of the Issuer or the Holder), and, in the case of technical or administrative difficulties, the continuance of that default for more than two Business Days;

(b) the Issuer fails to comply with its obligations to exchange the Notes in accordance with this Indenture upon exercise by a Holder of its Exchange Rights and such failure continues for five Business Days;

(c) failure by the Issuer to provide notice of a Fundamental Change pursuant to Section 5.1 and such failure continues for five Business Days;

(d) default or breach of any other covenant or agreement of the Issuer or the Guarantor in this Indenture with respect to the Notes (other than a covenant or agreement a default in whose performance or whose breach is specifically dealt with elsewhere in this Section 6.1), and such default or breach continues for a period of 90 days after there has been given to the Issuer and the Guarantor by the Trustee or to the Issuer, the Guarantor and the Trustee by the Holders of 25% or more in aggregate principal amount of the Notes a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(e) the Issuer ceases to be controlled directly or indirectly by the Guarantor;

(f) default under any bond, debenture, note or other evidence of indebtedness for money borrowed of the Issuer or the Guarantor (not including any indebtedness for which recourse is limited to property purchased) having in any particular case an aggregate outstanding principal amount in excess of £100,000,000 (or its equivalent in any other currency), where any such default shall have resulted in such indebtedness being accelerated and becoming due and payable prior to its stated maturity, without such acceleration having been rescinded or annulled or such indebtedness having been discharged; *provided* that there shall not be deemed to be an Event of Default if such acceleration is rescinded or annulled or such payment is made within 10 days after there has been given to the Issuer and the Guarantor by the Trustee or to the Issuer, the Guarantor and the Trustee by the Holders of 25% or more in aggregate principal amount of the Notes a written notice specifying such default and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or

(g) commencement by the Issuer or the Guarantor of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or the Issuer’s or the Guarantor’s consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or the Guarantor or for all or substantially all of the property and assets of the Issuer or the Guarantor, or any general assignment by the Issuer or the Guarantor for the benefit of creditors.

Any delay in the delivery of Shares resulting from circumstances beyond the Issuer’s control (including any error or delay by the Depositary, the Exchange Agent for the Notes or the registrar for the Shares and any failure or delay by Theravance to take actions necessary for the registration of transfer) shall not constitute a failure by the Issuer to comply with its exchange obligations for purposes of clause (b) within the definition of “Event of Default”.

Section 6.2. Acceleration

(a) If an Event of Default described in Section 6.1(a) through (f) (inclusive) with respect to the Notes then Outstanding occurs and is continuing, then, and in each and every such case, except for any Notes the principal of which shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes then outstanding hereunder by notice in writing to the Issuer and to the Guarantor (and to the Trustee if given by Holders) may declare the entire principal of all the Notes to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable.

(b) If an Event of Default described in Section 6.1(g) occurs and is continuing, then the principal of all the Notes then Outstanding shall be and become immediately due and payable, without any notice or other action by any Holder or the Trustee, to the full extent permitted by applicable law.

The foregoing provisions, however, are subject to the condition that if, at any time after the principal of the Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer or the Guarantor shall pay or shall deposit with the Trustee a sum sufficient to pay the principal of any and all Notes that shall have become due otherwise than by acceleration and such amount as shall be sufficient to cover all amounts owing to the Trustee under Section 7.7, and if any and all Events of Default under this Indenture, other than the non-payment of the principal of the Notes that shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein, then and in every such case the Holders of a majority in aggregate principal amount of all the then Outstanding Notes that have been accelerated, by written notice to the Issuer, to the Guarantor and to the Trustee, may waive all defaults with respect to the Notes and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

Section 6.3. Other Remedies

If a payment default or an Event of Default with respect to the Notes occurs and is continuing, the Trustee may pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

Section 6.4. Waiver of Past Defaults

Subject to Sections 6.2, 6.7 and 9.2, the Holders of at least a majority in principal amount of the Outstanding Notes, by notice to the Trustee, may waive an existing Default or Event of Default with respect to the Notes and its consequences, except a Default in the payment of principal of any Security as specified in Section 6.1(b) or in respect of a covenant or provision of this Indenture that cannot be modified or amended without the consent of the Holder of each Outstanding Note affected. Upon any such waiver, such Default shall cease to exist, and any Event of Default with respect to the Notes arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

Section 6.5. Control by Majority

Subject to Sections 7.1 and 7.2, the Holders of at least a majority in aggregate principal amount of the Outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Notes by this Indenture; provided, that the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that may involve the Trustee in personal liability or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction; and provided further, that the Trustee may take any other action it deems proper that is not inconsistent with any directions received from Holders of Securities pursuant to this Section 6.5.

Section 6.6. Limitation on Suits

No Holder of any Note may institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (a) such Holder has previously given to the Trustee written notice of a continuing Event of Default with respect to the Notes;
- (b) the Holders of at least 25% in aggregate principal amount of the Outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
- (c) such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to the Trustee against any costs, liabilities or expenses to be incurred in compliance with such request;
- (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (e) during such 60-day period, the Holders of a majority in aggregate principal amount of the Notes then Outstanding have not given the Trustee a direction that is inconsistent with such written request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over such other Holder.

Section 6.7. Rights of Holders to Receive Payment

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of the principal or Additional Amounts payable in respect of such Holder's Note on or after the respective due dates therefor, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.8. Collection Suit by Trustee

If an Event of Default with respect to the Notes in payment of the principal as specified in Section 6.1(a) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer and the Guarantor for the whole amount of such principal of the Notes and such further amount as shall be sufficient to cover all amounts owing the Trustee under Section 7.6.

Section 6.9. Trustee May File Proofs of Claim, Etc.

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts due the Trustee under Section 7.6) and the Holders allowed in any judicial proceedings relative to the Issuer, the Guarantor, the creditors of the Issuer or the Guarantor, or the property of the Issuer or the Guarantor and shall be entitled and empowered to collect and receive any moneys, securities or other property payable or deliverable upon conversion or exchange of the Notes or upon any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it under Section 7.6. Nothing herein contained shall be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any Holder, any plan of reorganization, arrangement, adjustment or composition affecting the Notes, the Guarantee or the rights of any Holder under the Notes or the Guarantee, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Application of Proceeds

Any moneys collected by the Trustee pursuant to this Article Six in respect of the Notes shall be applied in the following order at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal or Additional Amounts, if any, upon presentation of the several Notes in respect of which moneys have been collected and noting thereon the payment, or issuing Notes in reduced principal amounts in exchange for the presented Notes if only partially paid, or upon surrender thereof if fully paid:

FIRST: to the Trustee and the Agents for amounts due under Section 7.6;

SECOND: In case the principal of the Notes shall have become and shall be then due and payable, to the payment of the whole amount then owing and unpaid upon all the Notes for principal, and Additional Amounts, if any; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Notes, then to the payment of such principal without preference or priority of any Note over any other Note, ratably to the aggregate of such principal; and

THIRD: To the payment of the remainder, if any, to the Issuer, or to the extent the Trustee collects any amount pursuant to the Guarantee, the Guarantor, or any other person lawfully entitled thereto.

Section 6.11. Restoration of Rights and Remedies

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then, and in every such case, subject to any determination in such proceeding, the Issuer, the Guarantor, the Trustee and the Holders shall be restored to their former positions hereunder and thereafter all rights and remedies of the Issuer, the Guarantor, Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 6.12. Undertaking for Costs

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, in either case in respect of the Notes, a court may require any party litigant in such suit (other than the Trustee) to file an undertaking to pay the costs of the suit, and the court may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant (other than the Trustee) in the suit having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.12 does not apply to a suit by a Holder pursuant to Section 6.7 or a suit by Holders of more than 10% in principal amount of the Outstanding Notes.

Section 6.13. Rights and Remedies Cumulative

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or wrongfully taken Notes in Section 2.9, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.14. Delay or Omission Not Waiver

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VI or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

ARTICLE VII.

TRUSTEE, PAYING AGENT, TRANSFER AGENT, EXCHANGE AGENT AND REGISTRAR

Section 7.1. Duties of Trustee

(a) If a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of a Default or an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of gross negligence on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture.

However, in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph (c) does not limit the effect of paragraph (b) of this Section 7.1;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.2, 6.4, 6.5 or 6.6; and

(d) Neither the Trustee nor the Principal Paying Agent shall be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses (including documented attorneys' fees and expenses) and liabilities that might properly be incurred by it in compliance with such request or direction.

(j) Notwithstanding anything to the contrary in this Indenture, the Trustee may refuse to follow any direction that would involve the Trustee in personal liability.

(k) Notwithstanding anything to the contrary in this Indenture and for the avoidance of doubt, the parties hereto acknowledge and agree that all sums held by the Trustee or the Agents shall be held as banker rather than as trustee, and therefore will not be held in accordance with the client money rules of the United Kingdom's Financial Services Authority or any successor regulatory body.

Section 7.2. Certain Rights of Trustee, Paying Agent, Transfer Agent, Exchange Agent and Registrar

Subject to Section 7.1:

(a) The Trustee and each of the Paying Agents, the Transfer Agent, the Exchange Agents and the Registrar (together, excluding the Trustee, the "Agents") may conclusively rely on and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate, or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, security or other document believed by it to be genuine and to have been signed or presented by the proper Person whether or not such document is addressed to it. The Trustee and each of the Agents need not investigate any fact or matter stated in any such document, but the Trustee and each of the Agents may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee or any Agent shall determine to make such further inquiry or investigation, it shall be entitled, following reasonable notice, to make reasonable examination of the books, records and premises of the Issuer or the Guarantor, as the case may be, personally or by agent or attorney at the sole cost of the Issuer or the Guarantor, as the case may be, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(b) Before the Trustee or any of the Agents acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel, which shall conform to Section 11.2. Neither the Trustee nor any of the Agents shall be liable for any action it takes or omits to take in good faith in reliance on an Officers' Certificate or Opinion of Counsel. Subject to Section 7.1, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting to take any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officer's Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted to be taken by it under the provisions of this Indenture in good faith and in reliance thereon.

(c) The Trustee and each of the Agents may act through its attorneys, agents, custodians and nominees not regularly in its employ and shall not be responsible for the misconduct or negligence of any agent, attorney, custodian and nominee appointed with due care; *provided* that the Trustee shall be required to terminate any such agent, attorney, custodian or nominee if it has actual knowledge of any failure by such Person to perform its delegated duties.

(d) Any request, direction, order or demand of the Issuer or the Guarantor mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof be herein specifically prescribed), and any board resolution may be evidenced to the Trustee by a copy thereof certified by the secretary or an assistant secretary of the Issuer or the Guarantor, as the case may be.

(e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request, order or direction.

(f) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers or for any action it takes or omits to take in accordance with the direction of the Holders in accordance with Section 6.5 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(g) The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in reliance thereon.

(h) Prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, Officer's Certificate, Opinion of Counsel, board resolution, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document unless requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Notes affected then outstanding.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(j) The Trustee or any of the Agents may request that the Issuer deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(k) In no event shall the Trustee or any of the Agents be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) as a result of claims brought by any Holder irrespective of whether the Trustee or any of the Agents has been advised of the likelihood of such loss or damage and regardless of the form of action.

(l) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(m) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 7.3. Individual Rights of Trustee

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer, the Guarantor or any of their Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 7.4. Disclaimer

The recitals contained herein and in the Notes (except the Trustee's certificate of authentication) shall be taken as statements of the Issuer or the Guarantor and not of the Trustee, and the Trustee assumes no responsibility for the correctness of the same. Neither the Trustee nor any of its agents makes any representation as to the validity or adequacy of this Indenture, the Notes or the Guarantee, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate Notes and perform its obligations hereunder. Neither the Trustee nor any of its agents shall be accountable for the Issuer's or the Guarantor's use or application of the proceeds from the Notes or for moneys paid over to the Issuer or the Guarantor pursuant to this Indenture.

Section 7.5. Notice of Defaults

If any Default or Event of Default with respect to the Notes occurs and is continuing and if such Default is known to a Trust Officer of the Trustee, the Trustee shall mail to each Holder of Notes, at the expense of the Issuer, notice of such Default or Event of Default within 90 days after the occurrence thereof, unless such Default or Event of Default shall have been cured or waived before the mailing; provided, however, that, except in the case of a Default or Event of Default in the payment of the principal, Exchange Property or other amount with respect to the Note, the Trustee shall be fully protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders; and provided further that in the case of any default or breach of the character specified in Section 6.1(d) with respect to Notes, no such notice to Holders shall be given until at least 90 days after the occurrence thereof. The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and this Indenture.

Section 7.6. Compensation and Indemnity

(a) The Issuer, or failing which, the Guarantor, shall pay to the Trustee such compensation as shall be agreed upon in writing from time to time for its services. The compensation of the Trustee shall not be limited by any law on compensation of a trustee of an express trust. The Issuer, or failing which, the Guarantor, shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Trustee (including the reasonable expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith.

(b) The Issuer, or failing which, the Guarantor, shall indemnify the Trustee for, and hold it harmless against, any loss, liability, claim, damage or expense, including taxes (other than income taxes), incurred by it without negligence or bad faith on its part arising out of or in connection with the acceptance or administration of this Indenture and the Notes or the trusts hereunder and the performance of its duties under this Indenture and the Notes, including the costs and expenses of defending itself against or investigating any claim asserted by any person or liability in connection with the exercise or performance of any of its powers or duties under this Indenture and the Notes or in connection with enforcing the provisions of this Section 7.6.

(c) The obligations of the Issuer and the Guarantor under this Section to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture or the rejection or termination of this Indenture under bankruptcy, insolvency or similar law or the earlier resignation or removal of the Trustee. Such additional indebtedness shall be a senior claim to that of the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Notes, and the Notes are hereby subordinated to such senior claim. If the Trustee renders services and incurs expenses following an Event of Default under Section 6.1(g) hereof, the parties hereto and the Holders by their acceptance of the Notes hereby agree that such expenses are intended to constitute expenses of administration under any bankruptcy, insolvency or similar law

Section 7.7. Replacement of Trustee

(a) A resignation or removal of the Trustee as Trustee with respect to the Notes and appointment of a successor Trustee as Trustee with respect to the Notes shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.7.

(b) The Trustee may resign as Trustee at any time by so notifying the Issuer and the Guarantor in writing. The Holders of a majority in principal amount of the Outstanding Notes may remove the Trustee as Trustee by so notifying the Trustee in writing and may appoint a successor Trustee with respect thereto with the consent of the Issuer. The Issuer may remove the Trustee if: (i) the Trustee is no longer eligible under Section 7.9 of this Indenture; (ii) the Trustee is adjudged a bankrupt or insolvent; (iii) a receiver or other public officer takes charge of the Trustee or its property; or (iv) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed as Trustee with respect to the Notes, or if a vacancy exists in the office of Trustee with respect to the Notes for any reason, the Issuer shall promptly appoint a successor Trustee with respect thereto. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the Outstanding Notes may appoint a successor Trustee in respect of such Notes to replace the successor Trustee appointed by the Issuer. If the successor Trustee with respect to the Notes does not deliver its written acceptance required by the next succeeding paragraph of this Section 7.7(d) within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee (at the Issuer's expense), the Issuer or the Holders of a majority in principal amount of the Outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect thereto.

(d) A successor Trustee with respect to the Notes shall deliver a written acceptance of its appointment to the retiring Trustee, to the Issuer and to the Guarantor. Immediately after the delivery of such written acceptance, subject to the lien provided for in Section 7.6 and subject to the payment of any and all amounts then due and owing to the retiring Trustee, (i) the retiring Trustee shall transfer all property held by it as Trustee in respect of the Notes to the successor Trustee (ii) the resignation or removal of the retiring Trustee in respect of the Notes shall become effective and (iii) the successor Trustee shall have all the rights, powers and duties of the Trustee in respect of the Notes under this Indenture. A successor Trustee shall mail notice of its succession to each Holder of Notes.

(e) Upon request of any such successor Trustee, the Issuer and the Guarantor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the preceding paragraph.

(f) The Issuer shall give notice of any resignation and any removal of the Trustee with respect to the Notes and each appointment of a successor Trustee in respect of the Notes to all Holders of Notes. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office. Notwithstanding replacement of the Trustee with respect to the Notes pursuant to this Section 7.7, the Issuer's and the Guarantor's obligations under Section 7.6 shall continue for the benefit of the retiring Trustee.

Section 7.8. Successor Trustee by Merger

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee herein; *provided* that such successor Trustee shall be otherwise qualified and eligible under this Article Seven.

Section 7.9. Eligibility; Disqualification

The Trustee shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with parent, a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition.

Section 7.10. Communications

In no event shall the Agents or the Trustee be liable for any Losses arising in regards to receiving or transmitting any data from any Issuer, any Authorized Person or any party to the transaction via any non-secure method of transmission or communication, such as, but without limitation, by facsimile or email. The Issuer accepts that some methods of communication are not secure and the Agents shall incur no liability for receiving instructions via any such non-secure method. The Agents are authorized to comply with and rely upon any such notice, instructions or other communications reasonably believed by it to have been sent or given by an Authorized Person or an appropriate party to the transaction (or authorized representative thereof). The Issuer or Authorized Person should use all reasonable endeavors to ensure that instructions transmitted to the Agents or the Trustee pursuant to this Indenture are complete and correct. Any instructions shall be conclusively deemed to be valid instructions from the Issuer or Authorized Person to the Agents or the Trustee for the purposes of this Indenture.

Section 7.11. Resignation of Agents

(a) Any Agent may resign its appointment hereunder at any time without the need to give any reason and without being responsible for any costs associated therewith by giving to the Issuer, the Guarantor and the Trustee and (except in the case of resignation of the Principal Paying Agent) the Principal Paying Agent 30 days' written notice to that effect (waivable by the Issuer and the Trustee); *provided* that in the case of resignation of the Principal Paying Agent no such resignation shall take effect until a new Principal Paying Agent (approved in advance in writing by the Trustee) shall have been appointed by the Issuer to exercise the powers and undertake the duties hereby conferred and imposed upon the Principal Paying Agent. Following receipt of a notice of resignation from any Agent, the Issuer shall promptly give notice thereof to the Holders in accordance with Section 11.1. Such notice shall expire at least 30 days before or after any due date for payment in respect of the Notes.

(b) If any Agent gives notice of its resignation in accordance with this Section 7.11 and a replacement Agent is required and by the 10th day before the expiration of such notice such replacement has not been duly appointed, such Agent may itself appoint as its replacement any reputable and experienced financial institution. Immediately following such appointment, the Issuer shall give notice of such appointment to the Trustee, the remaining Agents and the Holders, whereupon the Issuer, the Trustee, the remaining Agents and the replacement Agent shall acquire and become subject to the same rights and obligations among themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Indenture.

(c) Upon its resignation becoming effective the Principal Paying Agent shall forthwith transfer all moneys held by it hereunder to the successor Principal Paying Agent or, if none, the Trustee or to the Trustee's order, but shall have no other duties or responsibilities hereunder, and shall be entitled to the payment by the Issuer of its remuneration for the services previously rendered hereunder and to the reimbursement of all expenses (including legal fees) properly incurred in connection therewith.

ARTICLE VIII.

EXCHANGE RIGHT

Section 8.1. Exchange Right

(a) Subject as hereinafter provided, each Holder shall have the right (the "Exchange Right"), subject to any applicable laws and regulations and in the manner described below, to have all or any of its Notes redeemed in exchange (the "exchange") for a *pro rata* share of the Exchange Property. Except as otherwise provided herein, upon exercise of an Exchange Right, the Issuer shall deliver, on the Settlement Date, a *pro rata* share of the Exchange Property, to be determined as of the relevant Exercise Date (but subsequently adjusted in respect of any adjustments to the Exchange Property occurring thereafter but prior to the Settlement Date), to such Holder in exchange for the relevant Note. Exchange Rights may only be exercised in respect of an authorized denomination of a Note and may not be exercised in an amount that would result in ownership of an amount of Notes that is not an authorized denomination. Upon exchange, the right of the exchanging Holder to repayment of the Notes to be exchanged shall be extinguished and released, and in consideration and in exchange therefor the Issuer shall deliver or procure the delivery of the relevant *pro rata* share of the Exchange Property as provided below or the applicable Cash Settlement Amount, each as described below.

(b) Notwithstanding any other provision hereof, upon the exercise of any Exchange Right, the Issuer may elect to deliver to the relevant Holder no later than the Settlement Date an amount equal to the relevant Cash Settlement Amount on the Settlement Date in satisfaction of the Exchange Right in respect of any Note delivered for exchange (the "Cash Settlement Option"). In order to exercise its Cash Settlement Option, as soon as reasonably practicable, but in any event not later than the second Business Day following the relevant Exercise Date (the "Cash Option Exercise Date"), the Issuer shall deliver to the relevant Holder by notification through the Depository for communication to its participants, or by hand or by courier (at the address specified by the relevant Holder in the Exchange Notice) in the case of Certificated Notes, the Cash Settlement Notice. Any Cash Settlement Notice shall be irrevocable, and in the absence of any such notice, the Issuer shall be deemed not to have exercised the Cash Settlement Option. The Cash Settlement Amount shall be paid to the relevant Holder in accordance with the wire transfer instructions provided by the Holder in the Exchange Notice.

(c) Except as otherwise provided in this Article VIII, upon exercise of an Exchange Right, the Issuer shall deliver, on the Settlement Date, a *pro rata* share of the Exchange Property (including, if applicable, payment of an amount in cash equal to the total Cash Settlement Amount of the *pro rata* share of the Exchange Property or part thereof), to be determined as of the relevant Exercise Date (but subsequently adjusted in line with adjustments to the Exchange Property occurring thereafter but prior to the Settlement Date), to such Holder in exchange for the relevant Note. The Issuer will apply the Notes to be exchanged in consideration of the transfer of Exchange Property by redeeming the Notes and applying the cash on the Holder's behalf to the Issuer as consideration for delivery of such *pro rata* share of the Exchange Property to the relevant Holder.

(d) Upon actual delivery of Exchange Property (and/or, if applicable, payment of an amount in cash equal to the total Cash Settlement Amount of the *pro rata* share of the Exchange Property or part thereof) by the Issuer to the relevant Holder following exercise of Exchange Rights, or upon any purchase and cancellation of any Notes or upon termination of the Exchange Rights, the *pro rata* share of the Exchange Property or the relevant part thereof attributable to each relevant Note shall cease to be part of the Exchange Property, and the Exchange Property shall be deemed to be reduced accordingly.

(e) Exchange Rights may be exercised only in respect of denominations of \$250,000 and integral multiples of \$1,000 in excess thereof in principal amounts of Notes.

(f) If the Issuer determines that, notwithstanding this Article VIII, an adjustment should be made to the Exchange Rights (including, but not limited to, the Exchange Property) as a result of one or more events or circumstances which might have an adverse effect on the Holders' Exchange Rights in relation to any Exchange Property and no adjustment to the Exchange Rights under this Article VIII would arise, such adjustment (if any) to the Exchange Rights as is fair and reasonable to take account of such event and the date on which such adjustment should take effect shall be Independently Determined as soon as practicable. For the avoidance of doubt, neither the Trustee nor any Exchange Agent shall have any responsibility to make any determination as to whether or not any event has occurred which might require an adjustment to the Exchange Rights.

(g) In the event of an Offer or certain proposals for a Merger in relation to any issuer of Relevant Securities, with respect to all Notes for which (i) both (a) the Exchange Right has been exercised and (b) the Issuer has elected to exercise its Cash Settlement Option and (ii) the Calculation Period is occurring on the day which such Offer is publicly made or such Merger publicly announced, the Settlement Date shall be delayed until the expiration of the earlier to expire of (i) the period commencing on the date which is the fifth Business Day prior to the Specified Date (without taking into account any extension of the relevant Offer unless such extension is announced prior to such fifth Business Day) and ending on the fifth Business Day following the date that acceptance of the relevant Offer is withdrawn or the relevant Offer lapses or the Unconditional Date, and (ii) the period commencing on the date on which a resolution is passed by the required majority of shareholders of the issuer of any Relevant Securities eligible to vote upon such resolution in respect of any applicable Merger and ending on the fifth Business Day following the date that the same is rejected by the relevant judicial or other authorities or the Merger becomes effective (as the case may be). The Issuer shall have absolute discretion to vote on or to accept or reject such Offer or arrangement.

Section 8.2. Exchange Period

The Exchange Right in respect of any Note shall be exercisable on any Business Day on or after September 1, 2020, subject to applicable laws and regulations, and unless previously exchanged or purchased and cancelled, up to the close of business on the Final Exchange Date (such period, the “Exchange Period”). The Final Exchange Date will be the fifth Business Day prior to the Maturity Date.

Section 8.3. Exchange Notice and Exercise Date

(a) To exercise the Exchange Right in respect of any Note, whether such exercise relates to Certificated Note or a beneficial interest in a Global Note, the Holder or beneficial owner thereof (or its Agent Member) shall deliver a notice in the then-current form obtainable from the specified office of the Exchange Agent (an “Exchange Notice”) with an appropriate medallion signature guarantee and, if required pay all transfer and similar taxes or duties, if any. An owner of a beneficial interest in a Global Note will be required to comply with the procedures of the Depository for exchanging a beneficial interest in a global note.

(b) To exercise the Exchange Right in respect of any Certificated Note, the holder thereof shall deliver a notice of exchange substantially in the form of Exhibit D, as may be updated from time to time (an “Exchange Notice”) obtainable from the specified office of any Exchange Agent and, if required, furnish appropriate endorsements and transfer documents to pay all transfer and similar taxes. If a Holder holds a beneficial interest in a global note, the Exchange Notice shall be duly completed by or on behalf of the participant in the Depository and any Holder shall comply with the procedures of the Depository for exchanging a beneficial interest in a global note and, if required, pay all taxes or duties, if any. Deposit of a Global Note with the issuer or the Exchange Agent shall not be required (although the portion of the Global Note corresponding to the applicable beneficial interest must be validly submitted for cancellation). An Exchange Notice, once given, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. The Issuer, or the Exchange Agent on its behalf, may reject any incomplete or incorrect Exchange Notice. All costs and expenses incurred or caused by an incomplete or incorrect Exchange Notice shall be paid by the relevant Holder. If a Holder has already delivered a purchase notice as described under Section 5.1 with respect to a Note, it may not surrender that Note for exchange until such notice has been withdrawn in accordance with this Indenture. In order to exchange its Notes, each Holder must comply with the procedures set forth in the Exchange Notice (including the instructions thereto). For the avoidance of doubt, notwithstanding the provisions incorporated herein from the Exchange Notice, the Issuer is permitted at its election to deliver Exchange Property through a clearing system should it, in its sole judgment, determine that delivery through such clearing system is practicable at the relevant time, including if the Shares have ceased to be restricted securities by the time of such delivery.

(c) The Exchange Agent shall, immediately upon receipt, forward a copy of the Exchange Notice to the Trustee, the Issuer and the Guarantor.

(d) The exercise date in respect of a Note for which the Exchange Right shall have been exercised (the “Exercise Date”) shall be deemed to be the date on which the Holder has completed all required steps for the exchange of its Notes including that (i) the relevant Exchange Notice has been received and (ii) the relevant Notes (other than a Global Note) have been surrendered for exchange (or, in the case of a Global Note, the relevant Notes have been electronically surrendered in accordance with provisions relating to exchange set forth in this Indenture, including Exhibit D hereto).

Section 8.4. Delivery of Shares and Exchange Property

(a) Except as otherwise provided in this Article VIII, the Issuer shall use all reasonable efforts to procure the transfer or delivery of the Shares or other Relevant Securities constituting Exchange Property, if any, and/or such other evidence of title to any other Exchange Property to which any Holder shall become entitled as a consequence of exercising Exchange Rights, to an exchanging Holder or its nominee as specified in the relevant Exchange Notice, in each case at the risk of the relevant Holder, on the Settlement Date and in accordance with the relevant Exchange Notice. Where Exchange Rights are exercised in respect of only some of the Notes represented by a Global Note, the principal amount of such Notes shall be noted on the relevant schedule to such Global Note and, on the Settlement Date the principal amount of such Global Note shall be reduced accordingly.

(b) Notwithstanding the provisions of Section 8.3(a) and (b), if the Exchange Property has changed in whole or in part as a result of an Offer or Merger for or in respect of any Relevant Securities or as a result of the compulsory acquisition of any Relevant Securities, then the Settlement Date (if it would otherwise fall prior to the date which is five days following the Final Date) shall be postponed to such fifth day.

(c) With respect to any exercise of the Exchange Right as to which the Issuer has not exercised the Cash Settlement Option with respect to the entire *pro rata* share of the Exchange Property, the Issuer shall, unless prohibited by law, transfer or deliver the Property Settlement Portion to which any Holder shall become entitled as a consequence of exercising Exchange Rights, to an exchanging Holder or its nominee as specified in the relevant Exchange Notice, on the Settlement Date and in accordance with the relevant Exchange Notice. Where Exchange Rights are exercised in respect of only some of the Notes represented by a Global Note, the principal amount of Notes so exchanged shall be noted on the relevant schedule to such Global Note and, on the relevant Settlement Date, the principal amount of such Global Note shall be reduced accordingly.

(d) Exchange Property shall not be available for delivery in violation of any applicable securities law or regulation of the United States or any state thereof or any other jurisdiction into which such delivery would be unlawful.

(e) If, at any time during which the transfer or delivery of any Exchange Property (other than cash pursuant to the Issuer's exercise of its Cash Settlement Option) is required, the Issuer reasonably determines that such transfer or delivery may be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer may, at its option, redeem in cash each applicable Note in respect of which Exchange Rights have been exercised and will procure an amount of cash equal to the aggregate of the Cash Settlement Amount of the Note (and the reference to Cash Option Exercise Date in the definition of "Cash Settlement Amount" shall be deemed, for these purposes, to be a reference to the later of the Exercise Date and the date on which the Issuer and the Guarantor first become aware that the provisions of this paragraph will apply to such Notes) plus amounts otherwise payable to the exchanging Holder under Section 8.5 hereof, if any. In the event of any such election, the Issuer will ensure that such redemption monies are paid to the relevant Holder as soon as reasonably practicable and in any event, not later than the fifth Business Day after the end of the Calculation Period or the date the Cash Settlement Amount is Independently Determined, as the case may be, and otherwise in accordance with this Indenture.

(f) The exercise of Exchange Rights through participants in the Depositary shall be effected in accordance with their respective rules and operating procedures.

Section 8.5. Dividends and Other Payments on Exchange Property

(a) Except as set forth herein, Exchange Property delivered or transferred on exercise of Exchange Rights shall not include any dividends or income thereon or other distributions or rights in respect thereof that are declared, paid or made (1) by reference to a record date prior to the relevant Settlement Date or (2) in the case of the Shares or other listed Relevant Securities, by reference to a record date where the Settlement Date falls after the date on which the Shares or such other listed Relevant Securities trade “ex-rights” in relation thereto.

(b) All Exchange Property transferred to Holders (or their nominees) shall be transferred with full right, title and interest therein, free from any Security Interest.

(c) For the avoidance of doubt, until such time that the Exchange Property is transferred to the Holders upon exercise of Exchange Rights, whether or not the Exchange Property is delivered to the Holders on the Settlement Date, and such delivery or transfer is reflected in Theravance’s records, Holders will not be treated as, or have any rights as, shareholders of Theravance, including but not limited to having voting rights or rights to receive dividends or distributions from Theravance. Theravance will not have any obligation to the Holders in their capacity as Holders other than in accordance with the terms of the Registration Rights Agreement.

Section 8.6. Fractions Arising on Exchange

No fraction of a Share or any other Relevant Security or any other property comprised in the Exchange Property that is not divisible shall be delivered to any Holder on exercise of Exchange Rights. If a fraction would otherwise be delivered to a Holder on exercise of Exchange Rights, the Issuer shall make a cash payment to such Holder in respect of such part of the *pro rata* share of the Exchange Property to which such Holder is entitled as is represented by a fractional entitlement. The amount of cash to be delivered shall be the Current Market Value of any such fraction on the Exercise Date. If the cash payment otherwise to be made by the Issuer to any Holder would amount to less than \$10.00, then the Issuer shall be under no obligation to make any such payment to such Holder.

If more than one Note shall be redeemed pursuant to any one Exchange Notice, the existence of fractions of Shares or other Relevant Securities and the amount of any cash payment to be made in respect of fractions shall be calculated on the basis of the aggregate principal amount of the Notes to be so redeemed.

Section 8.7. Initial Exchange Property

(a) The Exchange Property initially consists of 9,644,792 Shares. On exercise of Exchange Rights and absent exercise of the Cash Settlement Option, Holders shall be entitled to have their Notes redeemed by means of the delivery or transfer by the Issuer of a *pro rata* share of the Exchange Property as of the Exercise Date to the relevant Holder, which *pro rata* share shall initially entitle a Holder to receive 29.0660 Shares in respect of each \$1,000 principal amount of Notes delivered for exchange.

(b) Except in the circumstances set forth herein, non-cash dividends and other income and other benefits and rights derived from the Exchange Property prior to the acquisition of the Exchange Property on the Settlement Date pursuant to an exercise of Exchange Rights shall not comprise part of the Exchange Property and shall belong to the record holders thereof and shall not be available for exchange. The Issuer shall, and the Holders and the Trustee and any Agent hereunder shall not, prior to the delivery or transfer of such Exchange Property into the relevant former Holder's name (or as it may direct), be entitled to exercise the voting rights with respect to the Relevant Securities on any matters submitted to the holders of any Relevant Securities.

In exercising its voting rights with respect to the Shares or any other Relevant Securities as stated in the preceding paragraph, the record holder shall at all times be entitled to act as it thinks fit, including, in a manner which is contrary to the best interests of the Holders.

Section 8.8. Split, Subdivision, Consolidation and Redenomination

If the Relevant Securities shall be split, subdivided or consolidated or in any other manner have their par value changed ("Split, Subdivision, Consolidation or Redenomination"), then the securities resulting from such Split, Subdivision, Consolidation or Redenomination, insofar as they are attributable to the Exchange Property, shall be deemed to be included in the Exchange Property. The terms "Shares" and "Relevant Securities" as used herein shall, after a Split, Subdivision, Consolidation or Redenomination thereof, refer to such securities resulting from such Split, Subdivision, Consolidation or Redenomination.

Section 8.9. Cash; Rights Issues

If any Cash Distribution that constitutes Distributable Cash occurs, the applicable cash shall not become part of the Exchange Property and instead the Issuer shall pay an amount equal to the cash received (net of any reasonable expenses and of any stamp, transfer, registration or similar taxes or duties) to the Holders of record on the record date with respect to such Cash Distribution on the fifth Business Day after such Distributable Cash has been received by the Issuer. Any such amount paid to the Holders shall be credited against the principal otherwise payable at maturity if the Notes are not exchanged (and the amount payable at maturity in respect of the principal shall be reduced thereby).

If any Cash Distribution that does not constitute Distributable Cash occurs, the cash comprising such Cash Distribution shall thereafter be deemed to constitute part of the Exchange Property. Upon any distribution of the Exchange Property by the Issuer to a Holder that exercises its Exchange Right, such cash portion of the *pro rata* share of the Exchange Property shall be distributed along with the *pro rata* share of the other Exchange Property on the Settlement Date.

If a Rights Issue occurs, the Issuer shall in good faith attempt to determine the portion of such options, rights or warrants to be sold and the portion thereof to be exercised to purchase the Shares or other Relevant Securities with the intent of acquiring as great a number of Shares or other Relevant Securities as is possible with the proceeds of such sale. The Issuer will then sell the rights on an exchange for cash, if such rights are traded on an exchange or use its commercially reasonable efforts to sell the rights in non-exchange transactions if such rights are not traded on an exchange. The cash proceeds of such sale (net of any reasonable expenses and of any stamp, transfer, registration or similar taxes or duties) shall be used to subscribe for or purchase additional Shares or other Relevant Securities. No fractional Shares or other Relevant Securities shall be purchased. For the avoidance of doubt, the Issuer shall have no obligation to use any other funds to exercise any such options, rights or warrants. If the Issuer is unable to sell such options, rights or warrants as described above using commercially reasonable efforts, the Issuer shall permit any of them to lapse. Any remaining cash received from the Issuer's sale of any such options, rights or warrants following such subscription or purchase shall be deemed to be part of the Exchange Property.

Pending the foregoing, such options, rights or warrants shall be deemed to form part of the Exchange Property.

Notwithstanding the foregoing, if any other cash is received by the Issuer, such cash will be deemed to be included in the Exchange Property and Holders shall be entitled to receive the *pro rata* share of such cash upon exchange.

Section 8.10. Capital Distributions, Offers, Mergers and Related Events

(a) If any of the following events occurs (each, a "Relevant Asset Event"):

(i) any Capital Distribution;

(ii) securities are received as consideration in any Offer; or

(iii) further Shares or other securities or assets are issued or transferred to the holders of Relevant Securities pursuant to any Merger with respect to any company or companies (and in particular, but not limited to, any Merger between Theravance and any other company or companies);

then such number of additional Shares, other securities or other assets as are received in relation to the Relevant Asset Event, so far as attributable to the Exchange Property, shall be deemed to be included as part of the Exchange Property.

(b) If cash is paid to the holders of Shares or Relevant Securities including the Issuer as consideration in any Offer or pursuant to any Merger with respect to any company or companies (and in particular, but not limited to, any Merger between Theravance and any other company or companies), then such cash shall be deemed to constitute part of the Exchange Property. Upon any distribution of the Exchange Property to a Holder that exercises its Exchange Right, such cash portion of the *pro rata* share of the Exchange Property shall be distributed along with the *pro rata* share of the Exchange Property on the Settlement Date.

(c) In relation to any Merger that results in a Fundamental Change, each record holder of the Relevant Securities shall at all times be entitled to vote on, exercise its rights in respect of, or otherwise participate in, any such Merger as it thinks fit, including, in a manner which is contrary to the best interests of the Holders.

Section 8.11. General Offers

In the event of an Offer for any Relevant Securities, the Issuer shall have absolute discretion to wholly or partially accept such Offer or reject such Offer.

Section 8.12. Notice of Change in Exchange Property

The Issuer shall give notice to the Trustee and the Exchange Agent with details of any change in composition of the Exchange Property as soon as reasonably practicable following such change, together with such details as the Trustee may reasonably require. The Trustee or the Exchange Agent, as the case may be, shall notify all Holders of such change as soon as practicable in the manner specified in Section 11.1. In the event of a dispute as to whether, and the extent to which, any adjustment should be made to the composition of the Exchange Property, such dispute shall be Independently Determined.

Section 8.13. Subsequent Additions

If the Settlement Date with respect to any Note shall be on or after a date on which an addition to the Exchange Property takes effect and the relevant Settlement Date falls on a date when the relevant addition has not been received, the Issuer will procure that the provisions of Section 8.4 hereof shall be applied, *mutatis mutandis*, to such addition to the Exchange Property that would have been required to be delivered on exchange of such Note if the relevant addition had been received as of such Settlement Date and, in such event and in respect of such addition to the Exchange Property, references in Section 8.3 to the Settlement Date shall be deemed to refer to the date upon which such addition is received.

Section 8.14. Determinations

(a) The Issuer hereby agrees that for so long as any of the Notes remain Outstanding, it shall use all commercially reasonable efforts to calculate (i) the amount of Exchange Property to which a Holder is entitled upon exercise of its Exchange Right, (ii) the amount of cash constituting the Cash Settlement Amount and (iii) the Current Market Value, in each case, as applicable.

(b) The Issuer shall, in good faith, monitor all corporate actions by the issuers of Relevant Securities, including, but not limited to, the declaration and distribution of dividends, interest, rights issues, bonus shares, Capital Distributions, subdivisions, consolidations, redenominations, Offers and Mergers. With respect thereto and with respect to all other adjustments required to be made to the Exchange Property as well as the calculation amounts in the event of a redemption as described in Article V, the Issuer, as set forth in this Indenture, shall calculate the amount of Exchange Property to which a Holder is entitled upon exercise of its Exchange Right, and the amount of cash constituting the Cash Settlement Amount and the amount of cash deliverable in lieu of any fractional shares. Any calculation or determination of the Issuer shall (in the absence of manifest error and subject to any dispute that is Independently Determined as provided under Section 8.16) be final and binding upon all parties.

(c) If the Issuer does not, at any time and for any reason, make any such calculation or determination set forth in this Section 8.14, the Issuer shall appoint an independent appraiser or independent investment bank at the Issuer's expense to do so and such calculation or determination shall be deemed to have been made by the Issuer.

(d) The Issuer and the Guarantor hereby agree that for so long as any of the Notes remain Outstanding they will notify the Trustee of any relevant public information they receive from Theravance or otherwise become aware of regarding corporate actions by the issuers of Relevant Securities, including, but not limited to, the declaration and distribution of dividends, interest, Rights Issues, bonus issues, Capital Distributions, subdivisions, consolidations, redenominations, and Offers and Mergers.

Section 8.15. Certificates to be Final

Except as otherwise provided in this Article VIII, all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Indenture, whether by the Issuer or the Trustee, shall (in the absence of willful misconduct or fraud) be binding on the Issuer, the Guarantor, the Trustee, the Paying Agent, the Transfer Agents, the Exchange Agents, and all Holders, and no liability to the Issuer, the Guarantor and/or the Holders shall attach to the Exchange Agent or the Trustee in connection with the exercise or non-exercise of its powers, duties and discretion pursuant to such provisions.

Section 8.16. Independent Determination

The Trustee and Exchange Agents shall have the authority with respect to any determination or calculation to be made in accordance with this Article VIII to rely upon, without any liability for doing so, any determination or calculation Independently Determined.

Section 8.17. Compensation in a Theravance Change in Control

If (i) an Offer constituting a Theravance Change in Control is made for Shares or other Relevant Securities in the Exchange Property and the Issuer has accepted such Offer in exchange for consideration comprised partly or wholly of cash or other property other than ordinary shares traded on a U.S. national securities exchange or (ii) a Merger constituting a Theravance Change in Control is completed and the Shares or other Relevant Securities in the Exchange Property are replaced by consideration comprised partly or wholly of cash or property other than ordinary shares traded on a U.S. national securities exchange, then Holders exercising their Exchange Rights after the Issuer has received the Offer Consideration relating to such Offer shall be entitled to receive on any exchange of their Notes, in addition to the relevant *pro rata* share of the Exchange Property or Cash Settlement Amount, as applicable, an amount (the “Compensation Amount”) in respect of each \$1,000 principal amount of Notes surrendered for exchange, determined in accordance with the following formula:

$$CA = K^2 * ((Principal * OIP) - IP) * (T/C) * (CB/(CB+CS)) * OP$$

Where:

CA	=	Compensation Amount per Note (\$1,000 denomination)
K	=	the lesser of (a) IP/MP and (b) MP/IP
Principal	=	\$1,000
IP	=	\$740.74
CB	=	the Offered Cash Amount
CS	=	the Offered Property Value
MP	=	the Current Market Value of the <i>pro rata</i> share of the Exchange Property in respect of a Note with a principal amount of \$1,000 on the Specified Date
C	=	1,095, being the number of days from (but excluding) the Issue Date to (and including) the Maturity Date
T	=	the number of days from (but excluding) the Specified Date to (and including) the Maturity Date (which shall be zero if the Specified Date occurs after the Maturity Date)
OP	=	the Offer Proportion
OIP	=	108.50%, the original issue price of the Notes expressed as a percentage of the principal amount thereof

“Offered Cash Amount” means, in respect of any Offer, the cash amount comprising the whole or part of the Offer Consideration received by the Issuer for one Share or one other Relevant Security, as the case may be, in the Offer (other than cash paid in respect of fractional entitlements to such Offered Property), *provided* that if the Offered Property comprises securities or property other than equity securities, such securities or property will be deemed, for the purpose of this definition, to form part of the Offered Cash Amount in an amount equal to their fair market value, as Independently Determined, at the close of business on the Unconditional Date.

“Offer Consideration” means, in respect of any Offer, the consideration received by the Issuer in respect of the Shares or other Relevant Securities, as the case may be, pursuant to such Offer.

“Offer Proportion” means, in respect of any Offer, the portion of the Exchange Property as to which the Issuer has accepted the Offer and received Offer Consideration.

“Offered Property” means, in respect of any Offer, the number of shares or other securities (including fractions) or property comprised in the Offer Consideration relating to such Offer for one Share or one other Relevant Security, as the case may be, received by the Issuer.

“Offered Property Value” means, in respect of any Offer, the Independently Determined fair market value of the Offered Property relating to such Offer received by the Issuer at the close of business on the Unconditional Date. In the case of an Offer where the Offer Consideration received by the Issuer is entirely the Offered Cash Amount, the Offered Property Value shall be zero.

Section 8.18. Notice of Change in Exchange Property

The Issuer shall give notice to the Trustee and the Exchange Agent containing details of any change in composition of the Exchange Property as soon as reasonably practicable following such change. The Trustee (or the Exchange Agent, as the case may be) shall notify all Holders of such change as soon as practicable as set forth in Section 11.1. In the event of a dispute between the Issuer and a Holder as to whether, and the extent to which, any adjustment should be made to the composition of the Exchange Property, such dispute shall be Independently Determined.

Section 8.19. Release from the Exchange Property

Upon actual delivery of the Exchange Property (and/or, if applicable, the Cash Settlement Portion) by the Issuer to the relevant Holder following exercise of Exchange Rights on the Settlement Date or upon any purchase and cancellation of any Notes or upon termination of the Exchange Rights, the *pro rata* share of the Exchange Property or the relevant part thereof attributable to each relevant Note shall cease to be part of the Exchange Property and the Exchange Property shall be deemed to be reduced accordingly.

Section 8.20. Other Events

If the Issuer determines (with the prior written approval of the Guarantor and Holders who hold a majority of the aggregate principal amount of the Outstanding Notes) that, notwithstanding this section, an adjustment should be made to the Exchange Rights (including, but not limited to, the Exchange Property) as a result of one or more events or circumstances which might have an adverse effect on the Holders’ Exchange Rights in relation to any Exchange Property and no adjustment to the Exchange Rights under this section would otherwise arise, such adjustment (if any) to the Exchange Rights as is fair and reasonable to take account thereof and the date on which such adjustment should take effect shall be Independently Determined as soon as practicable and at the Issuer’s expense. For the avoidance of doubt neither the Trustee nor the Exchange Agent shall have responsibility to make any determination as to whether or not any event has occurred which might require an adjustment to the Exchange Rights.

ARTICLE IX.

AMENDMENTS

Section 9.1. Without Consent of Holders

- (a) The Issuer, the Guarantor and the Trustee may amend this Indenture without notice to or consent of any Holder, to:
- (i) cure any ambiguity, defect or inconsistency in this Indenture;
 - (ii) provide for the assumption by a successor of the obligations of the Issuer in accordance with the terms of this Indenture;
 - (iii) evidence and provide for the acceptance of appointment by a successor Trustee;
 - (iv) make any change that does not materially and adversely affect the rights of any Holder;
 - (v) conform the terms of the Notes, this Indenture or the Guarantee to the description thereof set forth under “Description of the Notes and Guarantee” in the Offering Memorandum; or
 - (vi) provide for uncertificated Notes in addition to or in place of Certificated Notes.
- (b) After an amendment under this Section 9.1 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.1.
- (c) Any amendment or supplement made solely to conform the provisions of this Indenture and Notes to the description of this Indenture and the Notes contained the Offering Memorandum will be deemed not to materially or adversely affect the rights of any Holder of Notes.
- (d) The consent of the Holders is not necessary under this Indenture to approve the particular form of any proposed amendment. It is sufficient that such consent approves the substance of the proposed amendment.
- (e) In formulating its opinion on such matters, the Trustee shall be entitled to require and rely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officers’ Certificate.

Section 9.2. With Consent of Holders

(a) The Issuer, the Guarantor and the Trustee may modify, amend or supplement this Indenture, the Notes or the Guarantee with the consent of the holders of a majority in principal amount of the Notes then Outstanding (including consents obtained in connection with a tender offer or exchange offer) and any past default or compliance with any provisions may also be waived with the consent of the holders of a majority in aggregate principal amount of the Notes at the time Outstanding (including consents obtained in connection with a tender offer or exchange offer). No such modification, amendment or waiver of this Indenture or any Note may, without the consent of each holder affected thereby:

- (i) change the stated maturity of the principal of or other amounts due on such Note;
- (ii) change the priority or ranking of any Note;
- (iii) reduce the principal of or any other amount payable on any such Note;
- (iv) change the currency of payment of the principal of or other amounts on any such Note;

(v) reduce the amount payable in relation to the repurchase or redemption of Notes, change the time at which any Notes may be put by holders for repurchase by the Issuer as described in Section 5.1 or change the precondition for or time at which the Issuer may redeem the Notes as described Section 5.7;

- (vi) adversely affect the Exchange Rights;
- (vii) reduce the above-stated percentage of principal amount of Outstanding Notes; or
- (viii) impair the right of any Holder to institute proceedings to enforce payment on the Notes or the Exchange Right.

(b) It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

(c) After an amendment under this Section 9.2 becomes effective, the Issuer shall mail to Holders a notice in the manner specified in Section 11.1 briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.2.

Section 9.3. Revocation and Effect of Consents and Waivers

(a) A consent to an amendment or a waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Holder. An amendment or waiver shall become effective upon receipt by the Trustee of the requisite number of written consents under Section 9.2.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall become valid or effective more than 90 days after such record date.

Section 9.4. Notation on or Exchange of Notes

If an amendment changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuer or the Trustee so determines, the Issuer in exchange for the Note will execute and upon Issuer Order the Trustee will authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of amendment made in accordance with the provisions of this Indenture.

Section 9.5. Trustee to Sign Amendments

The Trustee shall sign any amendment authorized pursuant to this Article IX if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Sections 7.1 and 7.2) shall be fully protected in relying upon, such evidence as it deems appropriate, including, without limitation, on an Opinion of Counsel and an Officers' Certificate stating that such amendment is authorized or permitted by this Indenture and such amendment is the legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its terms, subject to customary exceptions. Such Opinion shall be an expense of the Issuer.

ARTICLE X.

THE GUARANTEE

Section 10.1. The Guarantee

The Guarantor by its execution of this Indenture hereby agrees with each Holder of the Notes authenticated and delivered by the Trustee, and with the Trustee, on behalf of each such Holder, to be unconditionally bound by the terms and provisions of the Guarantee with respect to the Notes and authorizes the Trustee to confirm such Guarantee to the Holder of each such Note by its execution and delivery of each such Note, with such Guarantee endorsed thereon, authenticated and delivered by the Trustee.

The Guarantee to be endorsed on the Securities shall be in substantially the form set forth below:

“GUARANTEE

OF

GLAXOSMITHKLINE PLC

For value received, GlaxoSmithKline plc, a public limited company incorporated under the laws of England and Wales, having its principal executive offices at 980 Great West Road, Brentford, Middlesex TW8 9GS, England (the “Guarantor,” which term includes any Person as a successor Guarantor under the Indenture referred to in the Note upon which this Guarantee is endorsed), hereby fully and unconditionally guarantees to the Holder of the Note upon which this Guarantee is endorsed and to the Trustee on behalf of each such Holder (i) the due payment of all principal of and other amounts on, each Note payable by the Issuer under this Indenture, (ii) the due payment of any cash due in lieu of fractional Shares; and (iii) the satisfaction when due of the Issuer’s obligations under the Exchange Right of such Holder, when and as the same shall become due and payable, whether on the stated maturity date, by declaration of acceleration, call for redemption, upon exchange or otherwise, according to the terms thereof and of the Indenture referred to therein. In case of the failure of GSK Finance (No.3) plc, a public limited company incorporated under the laws of England and Wales (the “Issuer,” which term includes any successor Person under such Indenture), to punctually make any such payment or satisfy any such obligation, the Guarantor hereby agrees to cause any such payment or obligation to be made or satisfied punctually when and as the same shall become due, payable or otherwise deliverable, whether on the stated maturity date or by declaration of acceleration, call for redemption, upon exchange or otherwise, and as if such payment were made by the Issuer.

The indebtedness evidenced by this Guarantee is ranked equally and pari passu with all other unsecured and unsubordinated indebtedness of the Guarantor.

The Guarantor hereby agrees that its obligations hereunder shall be absolute and unconditional, irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of such Note or such Indenture, any failure to enforce the provisions of such Note or such Indenture, or any waiver, modification or indulgence granted to the Issuer with respect thereto, by the Holder of such Note or the Trustee or any other circumstance that may otherwise constitute a legal or equitable discharge of a guarantor; provided, however, that, notwithstanding the foregoing, no such waiver, modification or indulgence shall, without the consent of the Guarantor, increase the principal of such Note, or increase the amounts due in respect of the Notes, or alter the stated maturity date thereof. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to such Note or the indebtedness evidenced thereby or with respect to any sinking fund or analogous payment required under such Note and all demands whatsoever, and covenants that this Guarantee will not be discharged except by payment or satisfaction in full of the principal of, amounts due on exchange and Additional Amounts, if any, payable in respect of such Note. This Guarantee is a guarantee of payment and not of collection.

The Guarantor shall be subrogated to all rights of the Holder of such Note and the Trustee against the Issuer in respect of any amounts paid to such Holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon such right of subrogation until the principal of, amounts due on exchange of and Additional Amounts, if any, payable or deliverable in respect of all Notes issued under such Indenture shall have been paid in full.

No reference herein to such Indenture and no provision of such Indenture shall alter or impair the guarantees of the Guarantor, which are absolute and unconditional, of the due and punctual payment or delivery of the principal of, amounts due on exchange of and Additional Amounts, if any, payable in respect of, the Security upon which this Guarantee is endorsed.

This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication of such Note shall have been manually executed by or on behalf of the Trustee under such Indenture.

All terms used in this Guarantee that are defined in such Indenture shall have the meanings assigned to them in such Indenture.

This Guarantee shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed this _____ day of _____

GLAXOSMITHKLINE PLC,
as the Guarantor

By: _____
Name:
Title:

By: _____
Name:
Title:

ARTICLE XI.

MISCELLANEOUS

Section 11.1. Notices

(a) Any notice or communication shall be in writing and delivered in person or sent by first-class mail, telex or facsimile transmission directed as follows:

if to the Issuer:

GSK Finance (No.3) plc
980 Great West Road,
Brentford, Middlesex,
TW8 9GS, England
Attention: Victoria Whyte
Tel: +44 20 8047 5000

E-mail: company.secretary@gsk.com

if to the Guarantor:

GlaxoSmithKline plc
980 Great West Road,
Brentford, Middlesex,
TW8 9GS, England
Attention: Victoria Whyte
Tel: +44 20 8047 5000

E-mail: company.secretary@gsk.com

if to the Trustee, the Principal Paying, the Transfer Agent, the Principal Exchange Agent or the Registrar:

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor,

MS: NYC60-2405 New York, New York 10005
Facsimile: 732-578-4635
Attention: Corporates Team, SF2343

DB Services Americas, Inc., as Exchange Agent
5022 Gate Parkway Suite 200
Jacksonville, FL 32256 USA
Mailstop JCK-01-218

Tel: 1 800 735 7777, option

The Issuer, the Guarantor or the Trustee by notice to the others may designate additional or different addresses for subsequent notices or communications.

(b) Notices to the holders of the Notes will be mailed to them at their respective addresses in the register of Notes. So long as and to the extent that the Notes are represented by Global Notes and such Global Notes are held by the Depositary or its nominee or a custodian therefor, notices to owners of beneficial interests in the Global Notes may be given by delivery of the relevant notice to the Depositary for communication by it to entitled account holders.

(c) Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(d) Any notice or communication delivered to the Issuer under the provisions herein shall constitute notice to the Guarantor.

Section 11.2. Certificate and Opinion as to Conditions Precedent

(a) Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee:

(i) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

(b) If an Issuer Order pursuant to Section 2.2 of this Indenture has been, or simultaneously is, delivered, any instructions by the Issuer to the Trustee with respect to endorsement, delivery or redelivery of a Note issued in global form shall be in writing but need not comply with Section 11.4(a) and need not be accompanied by an Opinion of Counsel.

Section 11.3. Statements Required in Certificate or Opinion

Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(i) a statement that each person signing such certificate or opinion has read such covenant or condition and the definitions relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of each such person, such covenant or condition has been complied with; provided, however, that, with respect to matters of fact, an Opinion of Counsel may rely on an Officer's Certificate or certificates of public officials.

Section 11.4. Rules by Trustee, Paying Agent, Transfer Agent and Registrar

The Trustee may make reasonable rules for action by, or a meeting of, Holders, *provided* that such rules do not conflict with or contradict the provisions of Article XI hereof. The Registrar, the Paying Agent and the Transfer Agent may make reasonable rules for their functions.

Section 11.5. Payment Date Other Than a Business Day

If the Maturity Date, the stated maturity for any other payments due or the due date for any delivery of any amounts due upon exchange under the Notes or this Indenture is not a Business Day, then payment of principal of, or other amounts on, and delivery of such amounts due on such Note, as the case may be, need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on at the Maturity Date or the stated maturity for any other payments or the due date for any delivery due under the Notes or this Indenture; *provided* that no interest shall accrue for the period beginning and including such Maturity Date, maturity for any other payments due or the due date for any delivery under the Notes or this Indenture, as the case may be.

Section 11.6. Governing Law, Etc.

(a) THIS INDENTURE, THE GUARANTEE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PARTIES HERETO EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS INDENTURE, THE GUARANTEE OR THE NOTES OR ANY TRANSACTION RELATED HERETO OR THERETO.

(b) Each of the Issuer and the Guarantor hereby:

(i) agrees that any suit, action or proceeding against it arising out of or relating to this Indenture or the Notes, as the case may be, may be instituted in any Federal or state court sitting in The City of New York,

(ii) waives to the extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum,

(iii) irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding,

(iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment, and

(v) agrees that service of process by mail to the addressed specified herein shall constitute personal service of such process on it in any such suit, action or proceeding.

(c) The Issuer and the Guarantor have appointed GlaxoSmithKline Capital Inc., with offices currently at 1105 North Market Street, Suite 1300, Wilmington, Delaware 19801 as the authorized agent (the "Authorized Agent") thereof for service of process in any action arising out of or based on the Notes, this Indenture, or the Guarantee, as the case may be (including any action based on or arising out of U.S. federal securities laws) that may be instituted in a court of competent jurisdiction located in the State of New York. The Issuer and the Guarantor hereby represent and warrant that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Issuer and the Guarantor agree to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Notes remain Outstanding. The Issuer and the Guarantor agree that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain Outstanding or until the irrevocable appointment by the Issuer and the Guarantor of a successor agent in The City of New York, New York as each of their authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer and the Guarantor.

(d) To the extent that either of the Issuer and the Guarantor have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Guarantor hereby irrevocably waive and agree not to plead or claim such immunity in respect of their obligations under this Indenture or the Notes.

(e) Nothing in this Section 11.6 shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

Section 11.7. No Recourse Against Others

No recourse for the payment of the principal of or other amounts on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Issuer or the Guarantor in this Indenture, or in any of the Notes, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, limited partner, stockholder, officer, director, employee or controlling person of the Issuer (other than the Guarantor under the Guarantee) or the Guarantor or of any successor Persons thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. Such waiver may not be effective to waive liabilities under U.S. federal securities laws.

Section 11.8. Successors

All agreements of the Issuer and the Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 11.9. Duplicate and Counterpart Originals

The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture. This Indenture may be executed in any number of counterparts, each of which so executed shall be an original, but all of them together represent the same agreement.

Section 11.10. Severability

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11.11. Judgment Currency

The Issuer and the Guarantor severally agree, to the fullest extent that they may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due in U.S. dollars in respect of the principal of the Notes (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York the Required Currency with the Judgment Currency on the day on which final unappealable judgment is entered, unless such day is not a Business Day in The City of New York, then, to the extent permitted by applicable law, the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York the Required Currency with the Judgment Currency on the Business Day in The City of New York preceding the day on which a final unappealable judgment is entered and (b) their obligations under this Indenture to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture.

Section 11.12. USA Patriot Act

The parties hereto acknowledge that, in accordance with Section 326 of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as amended, modified or supplemented from time to time, the "USA Patriot Act"), the Trustee, like all financial institutions, is required to obtain, verify, and record information that identifies each person or legal entity that opens an account. The parties to this Indenture agree that they will provide the Trustee with such information as the Trustee may request in order for the Trustee to satisfy the requirements of the USA Patriot Act.

Section 11.13. Table of Contents; Headings

The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 11.14 Force Majeure

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

GSK FINANCE (NO.3) PLC,
as Issuer,

By: /s/ P. K. Hopkins

Name: P. K. Hopkins
Title: Director

GLAXOSMITHKLINE PLC, as Guarantor

By: /s/ Iain Mackay

Name: Iain Mackay
Title: Chief Financial Officer

By: /s/ Sarah-Jane Hall

Name: Sarah-Jane Hall
Title: Group Treasurer

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee, Principal Paying Agent, Transfer Agent, Principal Exchange
Agent and Registrar

By: /s/ Jacqueline Bartnick

Name: Jacqueline Bartnick

Title: Director

By: /s/ Robert Peschler

Name: Robert Peschler

Title: Vice President

FORM OF GLOBAL NOTE

[Include the following legend for all Global Notes:]

THE NOTES EVIDENCED BY THIS GLOBAL NOTE MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF \$250,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF.

THIS NOTE AND THE GUARANTEE OF THE NOTE BY GLAXOSMITHKLINE PLC (THE "GUARANTOR") HAVE NOT BEEN AND WILL NOT BE REGISTERED FOR OFFER OR SALE UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES, AND NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED OR INTENDS TO REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE NOTE (INCLUDING ANY BENEFICIAL INTEREST THEREIN) MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH BELOW.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS NOTE BY ACCEPTING DELIVERY HEREOF IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR, THERAVANCE BIOPHARMA, INC. ("THERAVANCE") AND THE TRUSTEE THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT: (1) TO GLAXOSMITHKLINE PLC OR ITS SUBSIDIARIES, OR (2) TO A PERSON WHO IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A "QP") WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A "QIB") WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; AND IN EACH CASE IN A PRINCIPAL AMOUNT (FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING) OF NOT LESS THAN THE MINIMUM DENOMINATION SPECIFIED FOR THIS NOTE PURSUANT TO THE INDENTURE GOVERNING THE NOTES.

EACH TRANSFEREE WHO PURCHASES OR OTHERWISE ACQUIRES THIS NOTE (OR ANY BENEFICIAL INTEREST THEREIN) BY PURCHASING OR OTHERWISE ACQUIRING SUCH NOTE (OR SUCH BENEFICIAL INTEREST) IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR, THERAVANCE AND THE TRUSTEE THAT:

- (A) LESS THAN 40% OF THE ASSETS OF SUCH PURCHASER (AND EACH PERSON FOR WHOM IT IS ACTING) CONSIST OF INVESTMENTS IN THE ISSUER. IT, AND EACH PERSON FOR WHICH IT IS ACTING, (I) IS A QIB THAT IS A QP, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THIS NOTE (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER AND EACH PERSON FOR WHICH IT IS ACTING IS A QP), (III) HAS RECEIVED THE NECESSARY CONSENT TO BE TREATED AS A QP FROM ALL BENEFICIAL OWNERS WHO ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996, WHEN THE PURCHASER OR ANY PERSON FOR WHICH IT IS ACTING IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (IV) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN \$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (V) IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (VI) IS NOT A (i) PARTNERSHIP, (ii) COMMON TRUST FUND, (iii) SPECIAL TRUST PENSION FUND OR RETIREMENT PLAN OR (iv) OTHER ENTITY IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATIONS THEREOF, (VII) UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (VIII) IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION AND HAS FULL POWER TO MAKE THE ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS ON BEHALF OF EACH SUCH ACCOUNT CONTAINED IN THIS LEGEND;
- (B) ANY RESALE OR OTHER TRANSFER OF THIS NOTE THAT IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY;
- (C) IN THE EVENT OF A TRANSFER OF THE NOTE (OR BENEFICIAL INTEREST THEREIN) TO A PERSON THAT IS NOT BOTH A QIB AND A QP, THE ISSUER MAY, IN ITS DISCRETION, EITHER (A) COMPEL SUCH TRANSFEREE TO SELL THE NOTE OR ITS INTEREST THEREIN TO A PERSON WHO IS BOTH A QIB AND A QP AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THE NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (B) ON BEHALF OF SUCH TRANSFEREE (AND SUCH TRANSFEREE BY ACCEPTING DELIVERY OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN IRREVOCABLY GRANTS TO THE ISSUER AND THE ISSUER'S AGENTS FULL POWER AND AUTHORITY TO, ON BEHALF OF SUCH TRANSFEREE), SELL THIS NOTE OR SUCH TRANSFEREE'S INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LEAST OF (1) THE PURCHASE PRICE THEREFOR PAID BY THE ORIGINAL TRANSFEREE, (2) 100 PERCENT. OF THE PRINCIPAL AMOUNT THEREOF AND (3) THE FAIR MARKET VALUE THEREOF;

- (D) THE ISSUER HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER OF THIS NOTE OR INTEREST THEREIN TO A PERSON WHO IS NOT BOTH A QIB AND A QP; AND
- (E) SUCH TRANSFEREE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE GOVERNING THE NOTES TO ANY SUBSEQUENT TRANSFEREE.

NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE OF THIS NOTE MAY BE OBTAINED BY WRITING TO GLAXOSMITHKLINE PLC, 980 GREAT WEST ROAD, BRENTFORD, MIDDLESEX, TW8 9GS, ENGLAND, ATTENTION: CORPORATE FINANCE, TREASURY (EMAIL: CF.TREASURY@GSK.COM).

THIS RESTRICTED GLOBAL NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE EXCHANGEABLE IN WHOLE OR IN PART FOR A NOTE OR CERTIFICATE REGISTERED, AND NO TRANSFER OF NOTES EVIDENCED BY THIS RESTRICTED GLOBAL NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE HEREINAFTER REFERRED TO.

[FORM OF FACE OF GLOBAL NOTE]

GSK Finance (No.3) plc

Exchangeable Senior Notes due 2023
Guaranteed on a Senior Basis by GlaxoSmithKline plc
Exchangeable into the Ordinary Shares of
Theravance Biopharma, Inc.

CUSIP No. (144A/QP): 36259RAA0

ISIN (144A/QP): US36259RAA05

Principal Amount \$

as revised by the Schedule A attached
hereto of Increases and Decreases
in this Global Note

This is to certify that CEDE & CO. is, as of the date hereof, the registered holder (the "Holder") of \$_____ of Notes represented by this Global Note. GSK Finance (No.3) plc, a public limited company incorporated under the laws of England and Wales, promises to pay to the Holder, or registered assigns, the principal sum of \$_____ as revised by the Schedule of Increases and Decreases in Global Note attached hereto, on June 22, 2023.

In the event of a redemption, cancellation or exchange of the Notes in part only, the Notes evidenced by this Global Note shall be reduced by the principal amount so redeemed, cancelled or exchanged. Thereafter, the Notes represented by this Global Note shall be the principal amount of Notes most recently entered by or on behalf of the Issuer in the relevant column in Schedule A attached hereto.

Reference is hereby made to the further provisions of this Note as set forth on the reverse hereof, which provisions shall for all purposes have the same effect as if set forth at this place.

GSK FINANCE (NO.3) PLC

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

Deutsche Bank Trust Company Americas,
as Trustee, certifies
that this is one of
the Notes referred
to in the Indenture.

By: _____
Authorized Signatory

Date: _____

GUARANTEE OF GLAXOSMITHKLINE PLC

For value received, GlaxoSmithKline plc, a public limited company incorporated under the laws of England and Wales, having its principal executive offices at 980 Great West Road, Brentford, Middlesex TW8 9GS, England (the "Guarantor," which term includes any Person as a successor Guarantor under the Indenture referred to in the Note upon which this Guarantee is endorsed), hereby fully and unconditionally guarantees to the Holder of the Note upon which this Guarantee is endorsed and to the Trustee on behalf of each such Holder (i) the due payment of all principal of and other amounts on, each Note payable by the Issuer under this Indenture, (ii) the due payment of any cash due in lieu of fractional Shares; and (iii) the satisfaction when due of the Issuer's obligations under the Exchange Right of such Holder, when and as the same shall become due and payable, whether on the stated maturity date, by declaration of acceleration, call for redemption, upon exchange or otherwise, according to the terms thereof and of the Indenture referred to therein. In case of the failure of GSK Finance (No.3) plc, a public limited company incorporated under the laws of England and Wales (the "Issuer," which term includes any successor Person under such Indenture), to punctually make any such payment or satisfy any such obligation, the Guarantor hereby agrees to cause any such payment or obligation to be made or satisfied punctually when and as the same shall become due, payable or otherwise deliverable, whether on the stated maturity date or by declaration of acceleration, call for redemption, upon exchange or otherwise, and as if such payment were made by the Issuer.

The indebtedness evidenced by this Guarantee is ranked equally and pari passu with all other unsecured and unsubordinated indebtedness of the Guarantor.

The Guarantor hereby agrees that its obligations hereunder shall be absolute and unconditional, irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of such Note or such Indenture, any failure to enforce the provisions of such Note or such Indenture, or any waiver, modification or indulgence granted to the Issuer with respect thereto, by the Holder of such Note or the Trustee or any other circumstance that may otherwise constitute a legal or equitable discharge of a guarantor; provided, however, that, notwithstanding the foregoing, no such waiver, modification or indulgence shall, without the consent of the Guarantor, increase the principal of such Note, or increase the amounts due in respect of the Notes, or alter the stated maturity date thereof. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to such Note or the indebtedness evidenced thereby or with respect to any sinking fund or analogous payment required under such Note and all demands whatsoever, and covenants that this Guarantee will not be discharged except by payment or satisfaction in full of the principal of, amounts due on exchange and Additional Amounts, if any, payable in respect of such Note. This Guarantee is a guarantee of payment and not of collection.

The Guarantor shall be subrogated to all rights of the Holder of such Note and the Trustee against the Issuer in respect of any amounts paid to such Holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon such right of subrogation until the principal of, amounts due on exchange of and Additional Amounts, if any, payable or deliverable in respect of all Notes issued under such Indenture shall have been paid in full.

No reference herein to such Indenture and no provision of such Indenture shall alter or impair the guarantees of the Guarantor, which are absolute and unconditional, of the due and punctual payment or delivery of the principal of, amounts due on exchange of and Additional Amounts, if any, payable in respect of, the Security upon which this Guarantee is endorsed.

This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication of such Note shall have been manually executed by or on behalf of the Trustee under such Indenture.

All terms used in this Guarantee that are defined in such Indenture shall have the meanings assigned to them in such Indenture.

This Guarantee shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed this 22 day of June, 2020.

GLAXOSMITHKLINE PLC,
as the Guarantor

By: /s/ Iain Mackay

Name: Iain Mackay

Title: Chief Financial Officer

By: /s/ Sarah-Jane Hall

Name: Sarah-Jane Hall

Title: Group Treasurer

[REVERSE SIDE OF NOTE]

GSK Finance (No.3) plc

Exchangeable Senior Notes due 2023
Guaranteed on a Senior Basis by GlaxoSmithKline plc
Exchangeable into Ordinary Shares of
Theravance Biopharma, Inc.

1. Interest

The Notes do not bear interest. No payments in respect of interest, in cash or otherwise, are payable with respect to the Notes.

2. Method of Payment

Not later than 11:00 a.m. New York City time on the date on which any principal or other amounts on any Note is due and payable, the Issuer shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal and/or other amounts. Holders must surrender Notes to a Paying Agent to collect principal payments. The Issuer shall pay principal and other amounts in cash in U.S. dollars.

Payments in respect of Notes represented by a Global Note (including principal and other amounts) shall be made by the transfer of immediately available funds to the accounts specified by the Depositary. The Issuer shall make all payments in respect of a Certificated Note (including principal and other amounts) by wire transfer to the specified account maintained by the payee by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Exchange Agent, Paying Agent, Transfer Agent and Registrar

Initially, Deutsche Bank Trust Company Americas (the "Trustee") shall act as Trustee, Principal Paying Agent, Transfer Agent, Principal Exchange Agent and as Registrar. The Issuer may appoint and change any Paying Agent, Transfer Agent, Exchange Agent and Registrar or co-registrar without notice to any Holder. The Issuer or the Guarantor may act as Paying Agent, Transfer Agent, Exchange Agent and Registrar or co-registrar.

4. Indenture

The Issuer issued the Notes under an Indenture, dated as of June 22, 2020 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Issuer, the Guarantor, the Trustee, the Principal Paying Agent, the Transfer Agent, the Principal Exchange Agent and the Registrar. The terms of the Notes include those stated in the Indenture. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. Each Holder by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended from time to time.

The Notes are general unsecured obligations of the Issuer limited to \$280,336,000 aggregate principal amount.

The Notes are unconditionally and irrevocably guaranteed by the Guarantor on a under the Guarantee for the benefit of the Holders pursuant to the Indenture.

5. Exchange

Subject to certain exceptions set forth in the Indenture, each Holder shall have the right (the “Exchange Right”), subject to any applicable laws and regulations and in the manner described in the Indenture, to have all or any of its Notes redeemed in exchange (the “exchange”) for a *pro rata* share of the Exchange Property. Except as otherwise provided in the Indenture, upon exercise of an Exchange Right, the Issuer shall deliver, on the Settlement Date, a *pro rata* share of the Exchange Property, to be determined as of the relevant Exercise Date (but subsequently adjusted in respect of any adjustments to the Exchange Property occurring thereafter but prior to the Settlement Date), to such Holder in exchange for the relevant Note. Exchange Rights may only be exercised in respect of an authorized denomination of a Note.

The Exchange Right in respect of any Note shall be exercisable on any Business Day after September 1, 2020, subject to applicable laws and regulations, and except as set forth in the Indenture, or unless previously exchanged or purchased and cancelled, up to the close of business on the fifth Business Day preceding the Maturity Date.

Notwithstanding any other provision of the Indenture, upon the exercise of any Exchange Right, the Guarantor may, so long as no Event of Default or event that, with the passage of time or the giving of notice or both would constitute an Event of Default, under the Indenture is occurring, in its absolute discretion, repurchase from the Issuer a number of Shares or Relevant Securities at a price equal to the Cash Settlement Portion that corresponds to the Notes being delivered for exchange.

The Exchange Property initially consists of 9,644,792 ordinary shares of Theravance having a par value of US\$0.0001 each (the “Shares”). Exchange Property shall not be available for delivery in violation of any applicable securities law or regulation of the United States or any state thereof or any other jurisdiction into which such delivery would be unlawful.

On exercise of Exchange Rights, and absent exercise of the Cash Settlement Option, Holders shall be entitled to have their Notes redeemed by means of the delivery or transfer by the Issuer of a *pro rata* share of the Exchange Property as of the Exercise Date to the relevant Holder, which *pro rata* share shall initially entitle a Holder to receive 29.0660 Shares in respect of each \$1,000 principal amount of Notes delivered for exchange.

6. Redemption

In the event that a Fundamental Change occurs, Holders shall have the right, during the Fundamental Change Redemption Period, to require the Issuer to redeem all of their Notes not previously called for redemption, or any portion of the principal amount of such Notes that is equal to \$250,000 or any integral multiple of \$1,000 in excess thereof, on the Redemption Date at an amount equal to the aggregate principal amount of the Notes.

Unless earlier exchanged redeemed or purchased or cancelled as provided in the Indenture, the Notes will be redeemed by the Issuer at their principal amount on June 22, 2023.

7. Denominations; Transfer; Exchange

The Notes are in fully registered form without coupons, and only in denominations of principal amount of \$250,000 and integral multiples of \$1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

8. Persons Deemed Owners

The registered Holder of this Note may be treated as the owner of it for all purposes.

9. Unclaimed Money

Any money deposited with the Trustee or the Paying Agent, or then held by the Issuer, as banker for the payment of the principal of or other amounts on, any Note and remaining unclaimed for (a) 10 years after such principal has become due and payable or (b) five years after other amounts have become due and payable, shall promptly upon request be paid to the Issuer or (if then held by the Issuer) shall be discharged from such trust. The Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof, without interest and until such amount must be remitted to the state under escheat or similar laws, and all liability of the Trustee or the Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, shall thereupon cease.

10. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Notes or the Guarantee may be amended with the consent of the Holders of a majority in principal amount of the Notes then Outstanding and (ii) any past default or noncompliance with any provision may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding (including consents obtained in connection with a tender offer or exchange offer). Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Issuer and the Trustee may amend the Indenture to, among other things, cure any ambiguity, defect or inconsistency in the Indenture, to provide for the assumption by a successor of the obligations of the Issuer, to evidence and provide for the acceptance of appointment by a successor Trustee, to make any change that does not materially and adversely affect the rights of any Holder or to provide for uncertificated Notes in addition to or in place of Certificated Notes.

11. Defaults and Remedies

If an Event of Default with respect to the Notes shall occur, the principal amount of all the Notes may be declared to become immediately due and payable.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations set forth in the Indenture, Holders of a majority in principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Notes.

12. Trustee Dealings with the Issuer

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

13. No Recourse Against Others

No recourse for the payment of the principal of or other amounts on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Issuer or the Guarantor in this Indenture, or in any of the Notes, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, limited partner, stockholder, officer, director, employee or controlling person of the Issuer (other than the Guarantor under the Guarantee) or the Guarantor or of any successor Persons thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. Such waiver may not be effective to waive liabilities under U.S. federal securities laws.

14. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

15. CUSIP Numbers

The Issuer in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Issuer or the Trustee shall use the same such numbers in any Exchange Notice as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any such notice and reliance may be placed only on the other identification numbers placed on the Notes. The Issuer will promptly notify the Trustee of any change in the "CUSIP" number.

16. Governing Law

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

17. Agent for Service; Submission to Jurisdiction; Waiver of Immunities

The Issuer and the Guarantor have agreed that any suit, action or proceeding against the Issuer brought by any Holder or the Trustee arising out of or based upon the Indenture or the Notes may be instituted in any state or federal court in The City of New York, New York. The Issuer and the Guarantor have irrevocably submitted to the non-exclusive jurisdiction of such courts for such purpose and waived, to the fullest extent permitted by law, trial by jury and any objection they may now or hereafter have to the laying of venue of any such proceeding, and any claim they may now or hereafter have that any proceeding in any such court is brought in an inconvenient forum. The Issuer and the Guarantor each have appointed GlaxoSmithKline Capital Inc., with offices currently at 1105 North Market Street, Suite 1300, Wilmington, Delaware 19801 as its Authorized Agent upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon the Indenture or the Notes which may be instituted in any state or federal court in The City of New York, New York. To the extent that either of the Issuer and the Guarantor have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to themselves or any of their property, the Issuer and the Guarantor have irrevocably waived and agreed not to plead or claim such immunity in respect of their obligations under the Indenture or the Notes.

The Issuer shall furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note. Requests may be made to: GSK Finance (No.3) plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS, England, e-mail: company.secretary@gsk.com; or GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS, England, facsimile number: e-mail: company.secretary@gsk.com.

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Registrar
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

FORM OF CERTIFICATED NOTE

[Include the following legend for all Certificated Notes:]

THE NOTES EVIDENCED BY THIS CERTIFICATED NOTE MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF \$250,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF.

THIS NOTE AND THE GUARANTEE OF THE NOTE BY GLAXOSMITHKLINE PLC (THE "GUARANTOR") HAVE NOT BEEN AND WILL NOT BE REGISTERED FOR OFFER OR SALE UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES, AND NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED OR INTENDS TO REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE NOTE (INCLUDING ANY BENEFICIAL INTEREST THEREIN) MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH BELOW.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS NOTE BY ACCEPTING DELIVERY HEREOF IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR, THERAVANCE BIOPHARMA, INC. ("THERAVANCE") AND THE TRUSTEE THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT: (1) TO GLAXOSMITHKLINE PLC OR ITS SUBSIDIARIES, OR (2) TO A PERSON WHO IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A "QP") WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A "QIB") WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; AND IN EACH CASE IN A PRINCIPAL AMOUNT (FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING) OF NOT LESS THAN THE MINIMUM DENOMINATION SPECIFIED FOR THIS NOTE PURSUANT TO THE INDENTURE GOVERNING THE NOTES.

EACH TRANSFEREE WHO PURCHASES OR OTHERWISE ACQUIRES THIS NOTE (OR ANY BENEFICIAL INTEREST THEREIN) BY PURCHASING OR OTHERWISE ACQUIRING SUCH NOTE (OR SUCH BENEFICIAL INTEREST) IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR, THERAVANCE AND THE TRUSTEE THAT:

- (A) LESS THAN 40% OF THE ASSETS OF SUCH PURCHASER (AND EACH PERSON FOR WHOM IT IS ACTING) CONSIST OF INVESTMENTS IN THE ISSUER. IT, AND EACH PERSON FOR WHICH IT IS ACTING, (I) IS A QIB THAT IS A QP, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THIS NOTE (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER AND EACH PERSON FOR WHICH IT IS ACTING IS A QP), (III) HAS RECEIVED THE NECESSARY CONSENT TO BE TREATED AS A QP FROM ALL BENEFICIAL OWNERS WHO ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996, WHEN THE PURCHASER OR ANY PERSON FOR WHICH IT IS ACTING IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (IV) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN \$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (V) IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (VI) IS NOT A (i) PARTNERSHIP, (ii) COMMON TRUST FUND, (iii) SPECIAL TRUST PENSION FUND OR RETIREMENT PLAN OR (iv) OTHER ENTITY IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATIONS THEREOF, (VII) UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (VIII) IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION AND HAS FULL POWER TO MAKE THE ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS ON BEHALF OF EACH SUCH ACCOUNT CONTAINED IN THIS LEGEND;
- (B) ANY RESALE OR OTHER TRANSFER OF THIS NOTE THAT IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY;
- (C) IN THE EVENT OF A TRANSFER OF THE NOTE (OR BENEFICIAL INTEREST THEREIN) TO A PERSON THAT IS NOT BOTH A QIB AND A QP, THE ISSUER MAY, IN ITS DISCRETION, EITHER (A) COMPEL SUCH TRANSFEREE TO SELL THE NOTE OR ITS INTEREST THEREIN TO A PERSON WHO IS BOTH A QIB AND A QP AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THE NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (B) ON BEHALF OF SUCH TRANSFEREE (AND SUCH TRANSFEREE BY ACCEPTING DELIVERY OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN IRREVOCABLY GRANTS TO THE ISSUER AND THE ISSUER'S AGENTS FULL POWER AND AUTHORITY TO, ON BEHALF OF SUCH TRANSFEREE), SELL THIS NOTE OR SUCH TRANSFEREE'S INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LEAST OF (1) THE PURCHASE PRICE THEREFOR PAID BY THE ORIGINAL TRANSFEREE, (2) 100 PERCENT. OF THE PRINCIPAL AMOUNT THEREOF AND (3) THE FAIR MARKET VALUE THEREOF;

- (D) THE ISSUER HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER OF THIS NOTE OR INTEREST THEREIN TO A PERSON WHO IS NOT BOTH A QIB AND A QP; AND
- (E) SUCH TRANSFEREE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE GOVERNING THE NOTES TO ANY SUBSEQUENT TRANSFEREE.

NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE OF THIS NOTE MAY BE OBTAINED BY WRITING TO GLAXOSMITHKLINE PLC, 980 GREAT WEST ROAD, BRENTFORD, MIDDLESEX, TW8 9GS, ENGLAND, ATTENTION: CORPORATE FINANCE, TREASURY (EMAIL: CF.TREASURY@GSK.COM).

[FORM OF FACE OF CERTIFICATED NOTE]

GSK Finance (No.3) plc

Exchangeable Senior Notes due 2023
Guaranteed on a Senior Basis by GlaxoSmithKline plc
Exchangeable into Ordinary Shares of
Theravance Biopharma, Inc.

CUSIP No. (144A/QP): 36259RAA0

ISIN (144A/QP): US36259RAA05

No. Principal Amount \$

This is to certify that:

of

is the person registered in the register maintained by the Registrar in relation to the Notes (the "Note Register") as the duly registered holder of the Notes represented by this Certificated Note or, if more than one person is so registered, the first named of such persons (the "Holder"). GSK Finance (No.3) plc (the "Issuer"), a public limited company incorporated under the laws of England and Wales, promises to pay to the Holder the principal sum of \$ on June 22, 2023.

Reference is hereby made to the further provisions of this Note as set forth on the reverse hereof, which provisions shall for all purposes have the same effect as if set forth at this place.

GSK FINANCE (NO.3) PLC

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

Deutsche Bank Trust Company Americas,
as Trustee, certifies
that this is one of
the Notes referred
to in the Indenture.

By: _____

Authorized Signatory

Date: _____

[Attach REVERSE SIDE OF NOTE AND GUARANTEE set forth in Exhibit A, excluding Schedule A thereto]

FORM OF REDEMPTION NOTICE

GSK Finance (No.3) plc

(the "Issuer")

Exchangeable Senior Notes Due 2023

Guaranteed on a Senior Basis by GlaxoSmithKline plc

(the "Guarantor")

Exchangeable into Ordinary Shares of

Theravance Biopharma, Inc.

REDEMPTION NOTICE

By depositing this duly completed Redemption Notice with any Paying Agent for the above Notes, the undersigned, being (check applicable box):

/___/ the Holder of [a] Certificated Note[s] in respect of the Notes as are surrendered with this Redemption Notice and referred to below,

/___/ _____, a participant in The Depository, hereby certifies that it is acting directly or indirectly on behalf of and pursuant to instructions from the person owning the beneficial interests specified below in the Global Note, and

hereby irrevocably exercises the option to have such Notes or portions thereof as indicated below (being \$250,000 in principal amount and integral multiples of \$1,000 in excess thereof) redeemed in accordance with Article V of the Indenture dated as of June 22, 2020, GSK Finance (No.3) plc, as Issuer, GlaxoSmithKline plc, as Guarantor, Deutsche Bank Trust Company Americas, as Trustee, Principal Paying Agent, Transfer Agent, Principal Exchange Agent and Registrar (the "Indenture"). Capitalized terms used herein shall have the meanings ascribed to them in the Indenture.

This Redemption Notice relates to Notes (or portions thereof) in the aggregate principal amount of \$_____ bearing the following identifying numbers:

If the Notes referred to above are Certificated Notes to be returned to the undersigned, they should be returned by post to the address of the undersigned appearing in the Register.

Payment Instructions

Please make payment in respect of the above-mentioned Notes as follows:

Account No: _____

Account Name: _____

Bank: _____

Branch: _____

Sort Code: _____

SWIFT: _____

[Name of Holder/participant]

By: _____

Name:

Title:

[To be completed by recipient Paying Agent] _____

Received by: _____

[Signature and stamp of Paying Agent] _____

At its office at: _____

On: _____

Notes

(1) If any Certificated Note is redeemed in part, a new Certificated Note in principal amount equal to the unredeemed portion thereof shall be issued. Such Certificated Notes returned to the depositing Holders will be sent by post, uninsured and at the risk and expense of the Holder, unless the Holder otherwise requests and pays the costs of such insurance in advance to the relevant Paying Agent.

(2) This Redemption Notice is not valid unless completed in its entirety.

(3) The Paying Agent with whom the above-mentioned Certificated Notes are deposited will not in any circumstances be liable to the depositing Holder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Certificated Notes or any of them unless such loss or damage was caused by the fraud or negligence of such Paying Agent or its directors, officers or employees.

FORM OF EXCHANGE NOTICE

GSK Finance (No.3) plc

(the "Issuer")

Exchangeable Senior Notes Due 2023

Guaranteed on a Senior Basis by GlaxoSmithKline plc

(the "Guarantor")

Cusip #: 36259RAA0

Exchangeable into Ordinary Shares of Theravance Biopharma, Inc. (the "Shares")

IN ORDER TO VALIDLY EXCHANGE NOTES, ALL STEPS DESCRIBED IN THE INSTRUCTIONS FOLLOWING THIS FORM, INCLUDING SUBMISSION OF NOTES FOR CANCELLATION, MUST BE FULLY COMPLETED PRIOR TO THE DEADLINE FOR SUBMITTING EXCHANGES.

The deadline for submitting exchanges of the Notes will be the fifth Business Day before the Maturity Date (or, if the Notes are called for redemption, the fifth Business Day before the Redemption Date).

All DWACs must be submitted and approved prior to the deadline

Please read the instructions following this form before completing this Exchange Notice.

Name: _____ Date: _____

Address: _____

Telephone No.: _____

Fax No.: _____

Terms used in this Exchange Notice and not otherwise defined have the meanings set forth in the indenture dated as of June 22, 2020, (the "Indenture") among the Issuer, the Guarantor and Deutsche Bank Trust Company Americas, as trustee.

To: Deutsche Bank Trust Company Americas (the "Exchange Agent")

DB Services Americas, Inc.
5022 Gate Parkway Suite 200
Jacksonville, FL 32256 USA
Mailstop JCK-01-218

Tel: 1 800 735 7777, option 2

I/We, being the holder(s) of the interest in Global Notes** specified below, hereby irrevocably elect to exchange the principal amount of such Notes specified below of which I/we am/are the holders(s)* or in which I/we have an interest (as specified below) in accordance with the Indenture into a *pro rata* share of the Exchange Property.

1. Total principal amount and, where applicable, the certificate numbers of Note certificates (the "Note Certificates") to which this notice applies

Cusip #: _____

Total principal amount (must be a denomination of \$250,000 or an integral multiple of \$1,000 in excess thereof):

Certificate numbers of Note certificates (if relevant) ***: _____

N.B. If necessary, the certificate numbers of Note Certificates can be attached separately.

Details of Clearing System where Notes are held: DTC

Participant ID: _____

Account ID: _____

Name: _____

Required Unique Reference: _____

2. I/We hereby request that:

2.1 Any cash payment payable on the exercise of the Exchange Rights (including any Cash Alternative Amount) shall be paid to the account, details of which are set out below:

Account no. _____

Account name: _____

Bank: _____

Branch: _____

** For certificated Notes, strike through the words "interest in Global".

* Where the Notes in respect of which this Exchange Notice is given are evidenced by a Global Note, delivery of the Exchange Notice will constitute confirmation by the beneficial owner of interests in the Notes to be exchanged that the information and the representations in the Exchange Notice are true and accurate on the date of delivery.

*** Not required for Notes evidenced by a Global Note

Sort Code: _____

SWIFT: _____

Contact Name: _____

Contact Telephone: _____

2.2 Please complete Annex I to indicate name(s) and address(es) of person(s) in whose name(s) any Shares and/or any other securities (including, without limitation, any options warrants, rights or evidences of indebtedness) comprised in the Exchange Property from time to time ("Relevant Securities") to be delivered on exchange are to be registered (if relevant) and/or any documents of title and evidence of ownership of any other *pro rata* share of the Exchange Property are to be delivered and additionally provide, in respect of Exchange Property Delivery:

Contact Name: _____

Contact Telephone: _____

Relevant Securities deliverable upon exchange of the Notes will be in book-entry form on a segregated share register outside of any clearing system.

3. I/We hereby represent that I/we:

3.1

1. am/are a Qualified Institutional Buyer ("**QIB**") within the meaning of Rule 144A under the Securities Act and am/are a Qualified Purchaser ("**QP**") within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended;
2. acquired such Notes for my/our own account or for the account of a QIB that is also a QP;
3. understand that the Shares deliverable upon exchange of the Notes have not been registered under the Securities Act, are expected to be restricted securities for the purposes of the Securities Act (the "Restricted Shares") and are not immediately fungible with Theravance's ordinary shares currently traded on the Nasdaq Global Market;
4. understand that the Restricted Shares may not be offered, sold, pledged or otherwise transferred except (A) to Theravance or a subsidiary of Theravance, (B) pursuant to an effective resale registration statement, (C) in compliance with Rule 144 under the Securities Act, or (D) pursuant to another exemption from registration under the Securities Act;
5. understand that I/we will be unable to resell the Restricted Shares delivered upon the exercise of the Exchange Right under the applicable resale registration statement (A) unless I/we comply with the applicable obligations in the Registration Rights Agreement, including the requirement to provide and return a selling shareholder notice and questionnaire as required therein, and (B) prior to being included as a selling shareholder in the resale registration statement and during periods when the prospectus included in such resale registration statement is unavailable for use in resale transactions, as provided in the Registration Rights Agreement; and

6. understand that the Restricted Shares will bear the following restrictive legend, unless otherwise agreed by Theravance and agree to comply therewith:

THIS SECURITY HAS NOT BEEN REGISTERED FOR OFFER OR SALE UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD, OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, IN COMPLIANCE WITH RULE 144 UNDER THE SECURITIES ACT OR PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THIS SECURITY IS ISSUED PURSUANT TO AND SUBJECT TO THE RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS OF A REGISTRATION RIGHTS AGREEMENT, DATED AS OF JUNE 22, 2020, AS IT MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH IS ON FILE WITH THERAVANCE BIOPHARMA, INC. THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH SAID AGREEMENT. ANY SALE OR OTHER TRANSFER NOT IN COMPLIANCE WITH SAID AGREEMENT WILL BE NULL AND VOID.

4. I/We hereby further represent and agree that I/we or the person(s) who has/have a beneficial interest in such Note(s) am/is/are in compliance with all applicable fiscal or other laws and regulations as provided in the Indenture and have/has paid or will pay, to the extent required by the Indenture, all taxes and capital, stamp, issue, registration, documentary, transfer or other duties (including penalties) arising on exchange and/or on the transfer, delivery or other disposition of Exchange Property arising on exercise of Exchange Rights.
5. The relevant definitive registered certificate in respect of any Notes in certificated form exchanged hereby accompanies this Exchange Notice.

SIGN HERE

Signature of Registered Holder(s) or Authorized Signatory

Date

(provide guarantee below)

Print Name

Area Code and Telephone Number: _____

If the signature in respect of a certificated Note is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, please set forth at the line entitled "Capacity (full title)" and submit evidence satisfactory to the Exchange Agent and the Company of such person's authority to so act.

Name: _____

(Please Type or Print)

Capacity (full title): _____

Address: _____

(Including Zip Code)

MEDALLION SIGNATURE GUARANTEE

Signature(s) Guaranteed by
an Eligible Institution: _____

(Authorized Signature)

(Title)

(Name of Firm)

(Address)

Dated: _____

D-5

INSTRUCTIONS

IN ORDER TO VALIDLY EXCHANGE NOTES, ALL STEPS DESCRIBED BELOW, INCLUDING SUBMISSION OF NOTES FOR CANCELLATION, MUST BE FULLY COMPLETED PRIOR TO THE DEADLINE FOR SUBMITTING EXCHANGES.

The deadline for submitting exchanges of the Notes will be the fifth Business Day before the Maturity Date (or, if the Notes are called for redemption, the fifth Business Day before the Redemption Date).

1. This Exchange Notice will be void unless the introductory details and all sections are duly completed and complied with.
2. Your attention is drawn to Article VIII of the Indenture with respect to the conditions relating to exchange.
3. For Global Notes, this Exchange Notice is to be completed by or on behalf of a participant of DTC or any clearing system in which the relevant Note is held at such time which has an interest in such Note, with the signature hereto corresponding with the name shown on the security position listing. For Notes in certificated form, if signature is by a trustee, executor, administrator, guardian, officer or other person acting in a fiduciary or representative capacity, please set forth full title.
4. Terms used in the Exchange Notice and not otherwise defined have the meanings set forth in the Indenture, dated June 22, 2020 among the Issuer, the Guarantor, and Deutsche Bank Trust Company Americas.
5. Holders should note that these instructions relate to procedures pursuant to which the Notes may be exchanged and do not include procedures for any resale of Shares thereafter. In order to resell Shares received upon exchange of the Notes on a registered basis under the related Registration Rights Agreement, holders must comply with the procedures under that agreement (including related procedures for transferring Shares), which are separate from the procedures for exchange of Notes that are set out in this Exchange Notice.
6. To validly submit Notes for Exchange, the following steps must **ALL** be fully completed ***prior to the applicable deadline for electing to exchange:***
 - This Exchange Notice must be submitted, fully completed and with a valid and appropriate medallion signature guarantee by
 - delivery of the original, signed notice, with original medallion signature guarantee to:

DB Services Americas, Inc.
5022 Gate Parkway Suite 200
Jacksonville, FL 32256 USA
Mailstop JCK-01-218

Tel: 1 800 735 7777, option 2; and
 - provision of a copy of the fully completed, signed notice to each of the following addresses by email:
transfer.operations@db.com and cf.treasury@gsk.com.
 - The Notes to which this Exchange Notice relates must be submitted for cancellation. In the case of beneficial interest in Global Notes, this is to be accomplished through entry of a one-sided DWAC entered by the applicable participant at DTC. In the case of Notes in certificated form, this is to be accomplished through delivery of the relevant certificate together with the Exchange Notice pursuant to the instruction in the preceding bullet.

- A tax form compliant with Instruction 6 must be delivered together with the Exchange Notice pursuant to the instruction in the first bullet and the holder must pay required stamp or transfer taxes, if any.

The deadline for electing to exchange (and completing the steps described in this Instruction 5) will be the fifth Business Day before the Maturity Date (or, if the Notes are called for redemption, the fifth Business Day before the Redemption Date). At the date of the Offering Memorandum to which this form is attached the fifth Business Day before the Maturity Date is expected to be June 15, 2023.

It is anticipated that all exchanges for which the steps described in this Instruction 6 are completed on or after March 22, 2023 and by the fifth Business Day preceding the Maturity Date will be settled by delivery of Exchange Property (and/or, if applicable, cash) on the same date (which is anticipated to be the Maturity Date). If the Notes are called for redemption, it is anticipated that all exchanges for which the steps described in this Instruction 6 are completed on or after March 22, 2023 and by the fifth Business Day preceding the Maturity Date will be settled by delivery of Exchange Property (and/or, if applicable, cash) on the same date (which is anticipated to be the Redemption Date).

7. **Tax Identification Number.** The exchange of Notes may be subject to information reporting and backup withholding of U.S. federal income tax, currently at a rate of twenty-four percent (24%). Certain holders may be exempt from these information reporting and backup withholding tax rules. To avoid backup withholding, U.S. persons that do not otherwise establish an exemption should complete and return an Internal Revenue Service (“IRS”) Form W-9 to the Exchange Agent or applicable withholding agent, certifying that the holder is a U.S. person, that the taxpayer identification number (“*TIN*”) provided is correct, and that the holder is not subject to backup withholding (IRS Form W-9 is available on the IRS website at www.irs.gov). If you provide an incorrect TIN, you may be subject to penalties imposed by the IRS.

Failure to provide the information on the Form W-9 may subject the holder to a \$50 penalty imposed by the IRS and federal income tax backup withholding on any payment. Backup withholding is not an additional tax. Taxpayers may use amounts withheld as a credit against their U.S. federal income tax liability or may claim a refund of any excess amounts withheld by timely filing a claim for refund with the IRS.

Non-U.S. persons are required to complete and submit to the Exchange Agent or applicable withholding agent an IRS Form W-8BEN (for individuals) or W-8BEN-E (for entities) or other applicable IRS Form W-8, signed under penalties of perjury, attesting to the holder’s foreign status in order to avoid the application of such information reporting and backup withholding. These forms and their instructions may be obtained at the IRS website at www.irs.gov.

Transfer Request — See enclosed instructions **PLEASE PRINT CLEARLY**

NEW HOLDER / RECIPIENT INFORMATION • Please complete for each new holder • Use additional pages as necessary

9 Account Type (mark only one box with an "X"):

<input type="checkbox"/> Individual <small>(complete A, B, F, G, H, I & J)</small>	<input type="checkbox"/> Trustee/Trust <small>(complete A-3)</small>	<input type="checkbox"/> Custodial with Minor <small>(US citizens only complete A, B, C, F, G, H, I & J)</small>
<input type="checkbox"/> Joint <small>(complete A, B, C, F, G, H, I & J)</small>	<input type="checkbox"/> Estate <small>(complete A, B, D, F, G, H, I & J)</small>	<input type="checkbox"/> Other <small>(indicate type and complete A, B, C, F, G, H, I & J)</small>

A New Holder's Existing Account Number (if applicable)

B Name (First, M, Last) - Individual / Custodian / Trustee / Executor / Other

C Name (First, M, Last) - Joint Holder / Minor / Co-Trustee / Other (if applicable)

D Trust / Estate Name (if applicable)

Trust / Estate Name - continued **E** Date of Trust (mm / dd / yyyy) (if applicable)

F Address Number and Street Name / Apt./Unit / PO Box

G City / Town **H** State / Province

I Postal Code **J** Country

NEW HOLDER/RECIPIENT INFORMATION

9 Account Type – Mark only one box with an “X” indicating the type of account into which you are transferring shares. Complete additional sections as indicated.

Definitions of Account Types:

- An **individual** registration, e.g. John T. Smith, is used if there is only one account holder. There is only one individual listed on the account.
- A **joint** tenant registration with right of survivorship, e.g. John T. Smith and Jane T. Doe JT TEN, is used if there are two or more equal holders listed on the account. Please note, the registration must read “and.” The word “or” cannot appear in the registration. In the event of the death of one of the listed holders, the securities in the account become the property of the surviving joint holder.
- A **trust** registration, e.g. John T. Smith and Jane T. Doe TR UA 4-3-66 Smith Family Trust, is used to allow the appointed trustees to handle the securities. All acting trustees are listed on the account, which also names the legal name and date of the trust agreement. To register shares under a trust, a legal trust agreement must exist.

- A **custodial with minor** registration is only valid for a US citizen under the Uniform Gifts to Minors Act (UGMA) or Uniform Transfer to Minors Act (UTMA) of the state of the donor, the state of the custodian or the state of the minor, e.g. John Doe Custodian for Jonathan Doe UTMA NY, is used if the securities are held by a custodian on behalf of a minor. The named custodian is given the legal authority to act on the account on behalf of the minor, until the minor reaches the age of majority under the applicable state’s law. The Social Security number associated with the account is that of the minor. A US citizen living abroad needs to indicate the applicable state.
- An **estate** registration, e.g. John Smith Executor for the Jane Doe Estate, is used to allow a court-appointed legal representative to act on the account. The account is registered in the decedent’s estate.
- **Other** common registrations include community property, Limited Liability Company (LLC), nominee, partnership, tenants by entireties and unincorporated association.

- 1.** If the new holder already owns stock in the company under the exact account name being requested, transfer the shares to the existing account by entering the new holder's 11-digit Computershare account number, which starts with a "C".
- 2.** Enter the new holder's name (first, middle initial, last) if the account type is individual, custodial, trustee, executor or other.
- 3.** Enter the name (first, middle initial, last) of the second new holder on the account if the account type is joint, minor, co-trustee or other (if applicable).
- 4.** Enter the name of the trust or estate (if applicable).
- 5.** If a trust is entered in section 9D, enter the date of the trust. Leave this section blank if the new account is for an estate or another type of account.
- 6.** Enter the street address or PO Box for the new holder whose name was entered in section 9A. If applicable, enter apartment or unit number.
- 7.** Enter the new holder's city or town.
- 8.** Enter the new holder's state or province.
- 9.** Enter the new holder's postal code.
- 10.** Enter the new holder's country.

B #:	[Number]
Date:	June 22, 2020
To:	All Participants
Category:	Underwriting
From:	Stephen Borghardt, Underwriting Executive Director
Attention:	Managing Partner/Officer; Cashier, Operations, Data Processing, and Underwriting Managers
Subject:	Section 3(c)(7) restrictions for owners of the following issue: Exchangeable Senior Notes due 2023 issued by GSK Finance (No.3) plc (the "Issuer"), guaranteed by GlaxoSmithKline plc (the "Guarantor")

- (A) CUSIP Number(s): 36259RAA0
- (B) Security Description(s): \$280,336,000 Exchangeable Senior Notes due 2023
- (C) Offering Amount(s): See (B) above
- (D) Managing Underwriter: Barclays Capital Inc.
- (E) Paying Agent: Deutsche Bank Trust Company Americas
- (F) Closing Date: June 22, 2020

Special Instructions:

Refer to the attachment for important instructions from the Issuer.

GSK Finance (No.3) plc
980 Great West Road
Brentford, Middlesex
TW8 9GS England

Exchangeable Senior Notes due 2023 36259RAA0

The Issuer, the Guarantor and Barclays Capital Inc. are putting Participants on notice that they are required to follow these purchase and transfer restrictions with regard to the above referenced security.

In order to qualify for the exemption provided by Section 3(c)(7) under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and the exemption provided by Rule 144A under the Securities Act of 1933, as amended (the “**Securities Act**”), offers, sales and resales of the \$280,336,000 Exchangeable Senior Notes due 2023 (the “**Notes**”) may only be made in minimum denominations of U.S.\$250,000 and integral multiples of \$1,000 in excess thereof to “qualified institutional buyers” (“**QIBs**”) within the meaning of Rule 144A that are also “qualified purchasers” (“**QPs**”) within the meaning of Section 2(a)(51)(A) of the Investment Company Act. Each purchaser of Notes (1) represents to and agrees with the Issuer, the Guarantor and Barclays Capital Inc. that (i) less than 40% of the assets of such purchaser (and each person for whom it is acting) consist of investments in the Issuer; (ii) the purchaser is a QIB who is a QP (a “**QIB/QP**”); (iii) the purchaser is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers; (iv) the purchaser is not a participant-directed employee plan, such as a 401(k) plan; (v) the QIB/QP is acting for its own account, or the account of another QIB/QP; (vi) the purchaser is not formed for the purpose of investing in the Issuer; (vii) the purchaser, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of Notes; (viii) the purchaser is not a partnership, common trust fund, special trust pension fund or retirement plan or other entity in which the partners, beneficiaries or participants, as the case may be, may designate the particular investments to be made or the allocations thereof, (ix) the purchaser understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositaries; and (x) the purchaser will provide notice of the transfer restrictions to any subsequent transferees and (2) acknowledges that the Issuer has not been registered under the Investment Company Act and the Notes have not been registered under the Securities Act and represents to and agrees with the Issuer, the Guarantor and Barclays Capital Inc. that, for so long as the Notes are outstanding, it will not offer, resell, pledge or otherwise transfer the Notes except to a QIB that is also a QP in a transaction meeting the requirements of Rule 144A. Each purchaser further understands that these Notes will bear a legend with respect to such transfer restrictions. See “Notice to Investors and Transfer Restrictions” in the GSK Finance (No. 3) plc Offering Memorandum.

The securities issuance documents of the Issuer provide that in the event of a transfer of the Notes (or beneficial interests therein) to a person that is not both a QIB and a QP, the Issuer may, in its discretion, either (A) compel such transferee to sell the Notes or its interest therein to a person who is both a QIB and a QP and who is otherwise qualified to purchase the Notes in a transaction exempt from registration under the Securities Act or (B) on behalf of such transferee (and such transferee by accepting delivery of the Notes or a beneficial interest therein irrevocably grants to the Issuer and the Issuer’s agents full power and authority to, on behalf of such transferee), sell the Notes or such transferee’s interest therein to a person designated by or acceptable to the Issuer at a price equal to the least of (1) the purchase price therefor paid by the original transferee, (2) 100 percent. of the principal amount thereof and (3) the fair market value thereof. In addition, the Issuer has the right to refuse to honor a transfer of Notes or interest therein to a person who is not both a QIB and a QP.

The restrictions on transfer required by the Issuer (outlined above) will be reflected under the notation “3c7” in DTC’s User Manuals and DTC’s Reference Directory.

Any questions or comments regarding this subject may be directed to Barclays Capital Inc. at 745 Seventh Avenue, New York, New York 10019.

REGISTRATION RIGHTS AGREEMENT

AMONG

THERAVANCE BIOPHARMA, INC.

GLAXOSMITHKLINE PLC

GSK FINANCE (NO.3) PLC

Dated as of June 22, 2020

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REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of June 22, 2020, is by and among THERAVANCE BIOPHARMA, INC., a Cayman Islands exempted company (the "Company"), GLAXOSMITHKLINE PLC, a public limited company incorporated under the laws of England and Wales, with registered number 03888792 ("GSK"), and GSK FINANCE (NO.3) PLC, a public limited company incorporated under the laws of England and Wales, with registered number 12615561 ("GSK Issuer").

RECITALS

WHEREAS, the Company has agreed, on the terms and subject to the conditions set forth in the Purchase Agreement, dated as of June 17, 2020 (the "Purchase Agreement"), among the Company, GSK, GSK Issuer and the Initial Purchasers named therein, to enter into a registration rights agreement in connection with the sale by GSK Issuer of its \$280,336,000 aggregate principal amount of Exchangeable Senior Notes due 2023 (the "Notes"), unconditionally and irrevocably guaranteed by GSK and exchangeable for 9,644,792 ordinary shares of the Company, par value \$0.00001 per ordinary share (the "Shares"), currently held by Glaxo Group Limited, a private limited company, with registered number 00305979 ("Glaxo"), the sole owner of GSK Issuer; and

WHEREAS, in order to induce investors to purchase the Notes, GSK Issuer and GSK have requested that the Company provide certain registration rights with respect to offers and resales of the Shares under the Securities Act of 1933, as amended (the "Securities Act").

NOW, THEREFORE, in consideration of the parties entering into the Purchase Agreement and this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS.

For purposes of this Agreement, the following terms shall have the meanings specified:

"Business Day" means any day other than a Saturday or Sunday in the City of New York or a day on which banks in the City of New York are required or authorized by law to be closed.

"Commission" means the United States Securities and Exchange Commission.

"Closing Date" means June 22, 2020.

"Effective Date" means the date on which any Registration Statement is declared effective by the Commission or becomes effective automatically upon the filing thereof pursuant to the rules of the Commission, as the case may be.

"Electing Holder" means any Holder that has returned to the Company a completed and signed Notice and Questionnaire in accordance with Section 4(a) and otherwise provided to the Company any other information requested by the Company in accordance with Section 4(a).

“Eligible Market” means any of the New York Stock Exchange, The Nasdaq Global Select Market, The Nasdaq Global Market or The Nasdaq Capital Market.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Final Exchange Period” means (1) in the case of Notes to be redeemed by GSK Issuer, the period beginning on, and including, the date on which GSK Issuer provides the related redemption notice to holders of the Notes and ending at 5:00 p.m., New York City time, on the fifth Business Day prior to the related redemption date, and (2) in all other cases, the period beginning on and including March 22, 2023 and ending at 5:00 p.m., New York City time, on the fifth Business Day prior to the maturity date of the Notes.

“Holder” means any person owning Registrable Securities received on exchange of Notes therefor and any person owning Notes, who in respect of which, it has validly submitted an exchange notice. For the avoidance of doubt, Glaxo or any of its affiliates shall not be deemed a Holder hereunder.

“Losses” shall have the meaning set forth in Section 5(a).

“Notice and Questionnaire” means a selling shareholder notice and questionnaire substantially in the form attached hereto as Exhibit B.

“Registrable Securities” means the 9,644,792 Shares held by Glaxo as of the date hereof and for which the Notes will be exchanged upon exercise by holders of the Notes of their rights under the Notes to exchange such Notes for Shares, together with any shares of the Company issued or issuable with respect to the Shares as a result of any share sub-division, share capitalization, recapitalization, exchange or similar event or otherwise.

“Registration Statement” means any registration statement covering the offer and resale of the Registrable Securities filed by the Company with the Commission pursuant to Section 2 hereof.

“Related Judgment” shall have the meaning set forth in Section 6(i).

“Related Proceedings” shall have the meaning set forth in Section 6(i).

“Required Effectiveness Date” means September 1, 2020.

“Registration End Date” means the earlier to occur of (1) the date on which all of the Registrable Securities have been sold pursuant to either the Registration Statement or Rule 144 and (2) six (6) months following the maturity date of the Notes.

“Rule 144” shall have the meaning set forth in Section 2(b).

“Rule 172” shall have the meaning set forth in Section 3(c).

“Specified Courts” shall have the meaning set forth in Section 6(h).

“Violation” shall have the meaning set forth in Section 5(a).

Capitalized terms used herein and not otherwise defined shall have the respective meanings specified in the Purchase Agreement.

2. REGISTRATION.

(a) Filing of Registration Statement. The Company shall prepare and file with the Commission a Registration Statement as a “shelf” registration statement under Rule 415 under the Securities Act or any successor provision to cover the resale of the Registrable Securities by Holders from time to time and shall have such Registration Statement declared effective by the Commission or, if eligible, become automatically effective upon filing, as the case may be, prior to the Required Effectiveness Date. The Registration Statement shall include a Plan of Distribution in the form attached hereto as Exhibit A that permits the resale or other disposition from time to time of the Registrable Securities by Electing Holders in respect of the Registrable Securities held by it.

(b) Effectiveness. If the Registration Statement is not automatically effective upon filing pursuant to the rules of the Commission, the Company shall use all reasonable efforts to cause the Registration Statement to become effective on or prior to the Required Effectiveness Date. Subject to the terms and conditions hereunder, the Company shall use its reasonable efforts to maintain the effectiveness of the Registration Statement filed pursuant to Section 2(a) until the Registration End Date; *provided*, however, that if at any time between the first date on which all of the Registrable Securities remaining to be sold under the Registration Statement (in the reasonable opinions of counsel to the Company and counsel to GSK Issuer) may be immediately resold to the public under Rule 144 under the Securities Act or any successor provision and the Registration End Date, the Company meets the condition of Rule 144(c)(1), the obligation to maintain the effectiveness of the Registration Statement pursuant to this Section 2 and to comply with Section 3(b) shall be terminated.

3. OBLIGATIONS OF THE COMPANY.

In addition to performing its obligations hereunder, including without limitation those pursuant to Section 2 above, the Company shall:

(a) by 9:30 a.m. New York time on the Business Day following the Effective Date, file with the Commission pursuant to Rule 424 under the Securities Act a prospectus, with respect to offers and resales of Registrable Securities under the Registration Statement to be included in the Registration Statement;

(b) following the Effective Date and within five (5) Business Days after the date of receipt by the Company of a Notice and Questionnaire validly delivered by an Electing Holder in accordance with Section 4(a), subject to Sections 3(e), 3(f) and 3(g), prepare and file with the Commission, such amendments or post-effective amendments to the Registration Statement or supplements to the prospectus included therein as may be required such that each such Electing Holder delivering a Notice and Questionnaire is named as a selling shareholder in the Registration Statement in such a manner as to permit such Electing Holder to deliver the prospectus included in the Registration Statement to purchasers of the Registrable Securities in accordance with applicable law; *provided*, however, that: (i) between the Effective Date and the Registration End Date, the Company shall not be required to file more than one such amendment or supplement each calendar month (regardless of the number of Electing Holders who validly submit a Notice and Questionnaire in any calendar month), it being understood that such amendment or supplement will be filed on the first Business Day of the respective calendar month and shall only cover the Registrable Securities held by Electing Holders who have validly delivered a Notice and Questionnaire no later than five (5) Business Days before the first Business Day of such month; and (ii) notwithstanding clause (i), the Company shall, not later than the maturity date or redemption date for the Notes, as the case may be, file an applicable amendment or supplement to the Registration Statement in order to include all Electing Holders who are not then so named and who have validly delivered a Notice and Questionnaire to the Company at any time during the Final Exchange Period (it being understood that the Company shall not have an obligation to file more than one such amendment or supplement during the Final Exchange Period and prior to the maturity date or redemption date for the Notes with respect to holders of Notes who exchange such Notes during the Final Exchange Period provided that all such Electing Holders are named in such amendment or supplement on or prior to the maturity date or redemption date, as the case may be);

(c) if Rule 172 under the Securities Act or any successor provision ("Rule 172") is unavailable, so long as a Registration Statement is effective covering offers and resales of the applicable Registrable Securities by one or more Electing Holders, furnish to such Electing Holders such number of copies of the prospectus included in the Registration Statement, and any amendment or supplement thereto (in each case, excluding any amendment or supplement made through the incorporation by reference of ordinary course Exchange Act filings), in conformity with the requirements of the Securities Act and such other documents as such Electing Holders may reasonably request, in each case, in order to facilitate the transfer or other disposition of the Registrable Securities held by such Electing Holders;

(d) subject to Sections 3(e), 3(f) and 3(g), use all reasonable efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under the securities or "blue sky" laws of such jurisdictions within the United States as shall be reasonably requested from time to time by an Electing Holder (in light of their intended plan of distribution), or, if requested, provide evidence to such Electing Holder that such Registrable Securities are exempt from such registration or qualification, and (ii) do any and all other acts or things which may reasonably be necessary or advisable to enable an Electing Holder of Registrable Securities included in the Registration Statement to consummate the transfer or other disposition of the Registrable Securities in such jurisdictions in connection with the exchange of the Notes; *provided*, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or take any action that would subject the Company to general service of process or taxation in any such jurisdiction where it is not then so subject;

(e) subject to Section 3(g), notify each Holder in writing after becoming aware of the occurrence of any event or existence of any condition as a result of which the prospectus included in the Registration Statement, or any amendment or supplement thereto, in each case, as then in effect, contains an untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and that resales of Registrable Securities are suspended and, subject to Section 3(g), as promptly as reasonably practicable prepare and file with the Commission and, if Rule 172 is unavailable, furnish, without charge, each Electing Holder a reasonable number of copies of a supplement or an amendment to such prospectus or amendment or supplement thereto as may be necessary so that such prospectus as so amended or supplemented does not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and promptly notify each Holder in writing that resales of Registrable Securities may be resumed;

(f) use all reasonable efforts to prevent the issuance of any stop order or other order suspending the effectiveness of the Registration Statement and, if such an order is issued, to suspend resales of Registrable Securities, to use all reasonable efforts to obtain the withdrawal thereof at the earliest possible time and to promptly notify each Holder in writing of the issuance of such order and, if applicable, the resolution thereof and that resales of Registrable Securities may be resumed;

(g) notify each Holder in writing in the event that, in the judgment of the Company, it is advisable to suspend use of a prospectus included in, and accordingly resales of Registrable Securities under, the Registration Statement, if the Company is in possession of material nonpublic information due to pending developments or other events, disclosure of which the Company believes would not be in its best interests or would be detrimental to it at such time (which notice need not specify the nature of the event giving rise to such suspension); *provided* that the Company shall not register any securities for its own account or that of any other shareholder during any period covered by any deferral and *provided further* that the Company shall not so suspend the use of a prospectus for a period or periods in excess of sixty (60) consecutive days or an aggregate of one hundred twenty (120) days in any twelve (12) month period and to promptly notify each Holder in writing when resales of Registrable Securities may be resumed;

(h) notify each Holder, promptly after it shall receive notice thereof, of the Effective Date of the Registration Statement and of the effectiveness of any post-effective amendment thereto;

(i) permit one special counsel for the Holders, at the sole expense of the Holders, to review the Registration Statement and all amendments and supplements thereto, and any comments made by the staff of the Commission concerning the Holders or the transactions contemplated by this Agreement and the Purchase Agreement and the Company's responses thereto, within a reasonable period of time prior to the filing thereof with the Commission (or, in the case of comments made by the staff of the Commission, within a reasonable period of time following the receipt thereof by the Company);

(j) subject to Sections 3(e), 3(f) and 3(g), if requested by an Electing Holder already named in the Registration Statement in accordance with the procedures set forth in Section 3(b), within five (5) Business Days of the request or, in the event that resales of Registrable Securities have been suspended, within two (2) Business Days following the last day of the period of suspension, incorporate in a prospectus supplement or post-effective amendment such information as the Electing Holder reasonably requests to be included therein relating to the sale and distribution of the Registrable Securities, including, without limitation, information with respect to the Electing Holder, the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities being sold in such offering; and

(k) use its reasonable efforts to provide a CUSIP number, transfer agent and registrar for the Registrable Securities not later than the Effective Date of the Registration Statement.

4. OBLIGATIONS OF EACH HOLDER.

In connection with the registration of Registrable Securities pursuant to any Registration Statement, a Holder shall:

(a) to effect registration of such Holder's Registrable Securities following the Effective Date, furnish to the Company a completed and signed Notice and Questionnaire and such other information in writing regarding itself and the intended method of disposition of such Registrable Securities as the Company shall reasonably request (which, for the avoidance of doubt, may be submitted by the Holder to the Company contemporaneously with the Holder's delivery of an exchange notice relating to the Notes to GSK);

(b) upon receipt of any written notice from the Company that resales of Registrable Securities have been suspended in accordance with Sections 3(e), 3(f) or 3(g), immediately discontinue any resale or other disposition of such Registrable Securities pursuant to the Registration Statement until such Holder receives written notice from the Company that resales of Registrable Securities may be resumed, and in each case maintain the confidentiality of such notice and its contents;

(c) to the extent required by applicable law, deliver a prospectus to the purchaser of such Registrable Securities;

(d) notify the Company when it has resold all of the Registrable Securities held by it;

(e) immediately notify the Company in the event that any information supplied by such Holder in writing for inclusion in the Registration Statement or related prospectus or amendment or supplement is untrue or omits to state a material fact required to be stated therein or necessary to make such information not misleading in the light of the circumstances then existing; and

(f) immediately discontinue any resale or other disposition of such Registrable Securities pursuant to the Registration Statement until the filing of an amendment or supplement to such prospectus as may be necessary pursuant to Section 3(e) above so that such prospectus as so amended or supplemented with respect to such Holder's information does not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; and use all reasonable efforts to assist the Company as may be appropriate to make such amendment or supplement effective for such purpose.

Each Holder agrees, by acquisition of the Notes and exchange thereof for Registrable Securities, that no Holder shall be entitled to offer, sell or otherwise transfer any such Registrable Securities other than pursuant to the Registration Statement, in compliance with Rule 144 or pursuant to another exemption from registration under the Securities Act and that each such Holder shall not be entitled to sell any such Registrable Securities pursuant to the Registration Statement and related prospectus unless (i) such Holder has delivered to the Company a completed and signed Notice and Questionnaire and any other information requested in accordance with Section 4(a), together with such other information required by Section 4(f) or by the transfer agent in connection with the transfer or other disposition of such Registrable Securities, (ii) such Holder has validly submitted an exchange notice in respect of the Notes and such Notes have been exchanged for Registrable Securities and (iii) any required amendment or post-effective amendment to the Registration Statement or supplements to the prospectus included therein has been filed with the Commission in accordance with Section 3(b) or, if the Registration Statement is a subsequent Registration Statement, such subsequent Registration Statement has been filed with the Commission, and, with respect to an amendment or post-effective amendment to the Registration Statement or a subsequent Registration Statement, such amendment or post-effective amendment or subsequent Registration Statement has been declared effective by the Commission or otherwise become effective.

5. INDEMNIFICATION.

In the event that any Registrable Securities are included in a Registration Statement under this Agreement:

(a) To the extent permitted by applicable law, the Company will indemnify and hold harmless each Electing Holder, the officers, directors, employees, agents, representatives and equityholders of each Electing Holder, legal counsel and accountants for each Electing Holder, any underwriter (as defined in the Securities Act) for such Electing Holder and each person, if any, who controls such Electing Holder or underwriter within the meaning of the Securities Act or the Exchange Act against any losses, claims, damages or liabilities (whether joint or several) to which they may become subject under the Securities Act, the Exchange Act or any state securities laws, insofar as any such losses, claims, damages or liabilities (or actions in respect thereof) (collectively, "Losses") arise out of or are based upon any of the following statements, omissions or violations (collectively, a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement under which such Registrable Securities were registered, including any preliminary prospectus, or the final prospectus or any free writing prospectus (as defined in Rule 433 under the Securities Act) or any amendments or supplements thereto; (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities laws or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities laws; and the Company will reimburse each Electing Holder, officer, director, employee, agent, representative, equityholder, legal counsel, accountant, underwriter of such Electing Holder or person who controls such Electing Holder or underwriter for any legal expenses or other out-of-pocket expenses reasonably incurred by any such person in connection with investigating or defending any such Loss; *provided*, however, that the foregoing indemnity shall not apply to amounts paid in settlement of any such Loss if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any case for any such Loss to the extent that it arises out of or is based upon (x) a Violation that occurs in reliance upon and in conformity with any written information furnished expressly for use in connection with the registration of offers and resales of Registrable Securities by or on behalf of any Electing Holder, underwriter for such Electing Holder, or person controlling such Electing Holder or underwriter or (y) offers, sales or transfers of Registrable Securities in violation of Section 4; *provided further*, however, that the foregoing indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Electing Holder, underwriter for such Electing Holder or person controlling such Electing Holder or underwriter from whom the person asserting any such Loss purchased Registrable Securities in the applicable offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) is provided to the Electing Holder and underwriter but was not sent or given by or on behalf of such Electing Holder or underwriter to such person, if required by law so to have been delivered, at or prior to the written confirmation of the resale of such Registrable Securities to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) To the extent permitted by applicable law, each Electing Holder who is named in the Registration Statement as a selling shareholder shall, acting severally and not jointly, indemnify and hold harmless the Company, its directors, its officers who signed the registration statement, employees, agents and representatives of the Company, each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act, legal counsel and accountants for the Company, any underwriter, any other Holder reselling Registrable Securities in such Registration Statement and any controlling person of any such underwriter or Holder against any Losses to which any of the foregoing persons may become subject under the Securities Act, the Exchange Act or any state securities laws, insofar as any such Loss arises out of or is based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and conformity with written information furnished (or not furnished, in the case of an omission) expressly for use in connection with the registration of offers and resales of Registrable Securities by or on behalf of such Electing Holder; and each such Electing Holder will reimburse any person intended to be indemnified pursuant to this Section 5(b) for any legal or other out-of-pocket expenses reasonably incurred by such person in connection with investigating or defending any such Loss; *provided*, however, that the foregoing indemnity shall not apply to amounts paid in settlement of any Loss if such settlement is effected without the consent of such Electing Holder (which consent shall not be unreasonably withheld); and, *provided further*, that in no event shall any indemnity under this Section 5(b) exceed the net proceeds from the resale of the Registrable Securities by such Electing Holder under the Registration Statement.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 5, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel selected by such indemnifying party in its sole discretion; *provided*, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 5, but the omission to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to an indemnified party otherwise than under this Section 5.

(d) If the indemnification provided for in this Section 5 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any Losses or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such Loss or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such Loss or expense, as well as any other relevant equitable considerations; *provided*, however, that such contribution shall not exceed the net proceeds from the resale of Registrable Securities by such Electing Holder under the Registration Statement. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any indemnified party at law or in equity.

(f) The obligations of the Company and the Electing Holders under this Section 5 shall survive the completion of any resale of Registrable Securities under the Registration Statement, and otherwise.

6. MISCELLANEOUS.

(a) Further Assurances. The parties agree to cooperate fully with the other parties and to execute such further instruments, documents and agreements and to give such further written assurances and deliver such opinions as may be reasonably requested by the other parties to better evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intents and purposes of this Agreement.

(b) Underwritten Offerings. Notwithstanding anything in this Agreement to the contrary, the Company is not obligated to participate in or provide for any underwritten offering of Registrable Securities.

(c) Expenses of Registration. All reasonable expenses (other than underwriting discounts and commissions and the fees and disbursements of counsel of any Electing Holder) incurred in connection with the registrations, filings and qualifications described herein, including (without limitation) all registration, filing and qualification fees, printers' and accounting fees and the fees and disbursements of counsel for the Company shall be borne by the Company.

(d) Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given upon the earlier to occur of actual receipt or (i) upon personal delivery to the party to be notified, (ii) when sent by electronic mail if sent during normal business hours of the recipient, if not, then on the next Business Day or (iii) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. Unless otherwise designated by the intended recipient to the other parties hereto at least ten (10) days in advance, all notices addressed to the Company, GSK, Glaxo or GSK Issuer will be directed as follows:

If to the Company:

Theravance Biopharma, Inc.
PO Box 309
Ugland House, South Church Street
George Town, Grand Cayman, Cayman Islands
Attn: Office of General Counsel
Tel: (650) 808-6000
Email: legal@theravance.com

with a copy to:

Theravance Biopharma, Inc.
c/o Theravance Biopharma US, Inc.
901 Gateway Boulevard
South San Francisco, CA 94080
Attention: Office of General Counsel

Skadden, Arps, Meagher & Flom LLP
525 University Avenue
Palo Alto, California 94301-1908
Attn: Amr Razzak
Tel: 650-470-4533
Email: amr.razzak@skadden.com

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
550 Allerton Street
Redwood City, California 94063
Attn: Jeffrey Vetter
Tel: 650-321-2400
Email: jvetter@gunderson.com

If to GSK, Glaxo or GSK Issuer:

GlaxoSmithKline plc
980 Great West Road
Brentford, TW8 9GS
England
Attention: Victoria Whyte
Tel: +44 20 8047 5000
E-mail: company.secretary@gsk.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
2 London Wall Place
London EC2Y 5AU, England
Attn: Sebastian Sperber
Tel: +44 20 7614 2200
Email: ssperber@cgsh.com

and if to a Holder, to such address as shall be designated by such Holder in the Notice and Questionnaire of such Holder or any amendment thereto.

(e) Severability. If one or more provisions of this Agreement are held unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

(f) Entire Agreement; Amendment; Waiver. This Agreement constitutes the full and entire understanding and agreement among the parties hereto with regard to the subjects hereof. The parties agree that this Agreement shall become effective on the Closing Date. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holders of a majority of the Registrable Securities. Any amendment or waiver effected in accordance with this Section 6(f) shall be binding upon the Company and each current and future Holder of any Registrable Securities.

(g) Successors and Assigns. Except as explicitly provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any Registrable Securities); provided that, except as explicitly provided herein, the rights of a Holder hereunder may not be assigned to a person without a corresponding transfer of Registrable Securities to such person. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors or assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as explicitly provided in this Agreement.

(h) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed one and the same instrument. This Agreement, once executed by a party, may be delivered to any other party hereto by email transmission of a .pdf file.

(i) Governing Law; Waiver of Immunity. This Agreement shall be governed by and construed under the laws of the state of New York. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("Related Proceedings") shall be instituted in (i) the federal courts of the United States of America located in the City and County of New York, Borough of Manhattan or (ii) the courts of the State of New York located in the City and County of New York, Borough of Manhattan (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "Related Judgment"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum. With respect to any Related Proceeding, each party irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, service of process, attachment (both before and after judgment) and execution to which it might otherwise be entitled in the Specified Courts, and with respect to any Related Judgment, each party waives any such immunity in the Specified Courts or any other court of competent jurisdiction, and will not raise or claim or cause to be pleaded any such immunity at or in respect of any such Related Proceeding or Related Judgment, including, without limitation, any immunity pursuant to the United States Foreign Sovereign Immunities Act of 1976, as amended.

(j) Appointment of Agent for Service of Process. The Company hereby irrevocably designates, appoints and empowers Theravance Biopharma US, Inc. with offices currently at 901 Gateway Boulevard, South San Francisco, CA 94080, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf service of any and all legal process summons, notices and documents that may be served in any action, suit or proceeding brought against the Company in any United States or state court with respect to any matter arising out of or based upon this Agreement and that may be made on such designee, appointee and agent in accordance with legal procedures prescribed for such court. Each of GSK and GSK Issuer hereby irrevocably designates, appoints and empowers GlaxoSmithKline Capital Inc., with offices currently at 1105 North Market Street, Suite 1300, Wilmington, Delaware 19801, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, service of any and all legal process, summons, notices and documents that may be served in any action, suit or proceeding brought against GSK or GSK Issuer in any such United States or state court with respect to any matter arising out of or based upon this Agreement and that may be made on such designee, appointee and agent in accordance with legal procedures prescribed for such court.

(k) Pronouns. All pronouns or any variation thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person, persons, entity or entities may require.

(l) Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience of reference only and are not to be considered in construing or interpreting this Agreement.

(m) Third Party Beneficiaries. All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and the Holders from time to time of the Registrable Securities and the respective successors and assigns of the parties hereto and such Holders.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

THERAVANCE BIOPHARMA, INC.

By: /s/ Rick E Winningham
Name: Rick E Winningham
Title: Chief Executive Officer

GSK FINANCE (NO.3) PLC

By: /s/ P. K. HOPKINS
Name: P. K. Hopkins
Title: Director

GLAXOSMITHKLINE PLC

By: /s/ IAIN MACKAY
Name: Iain Mackay
Title: Chief Financial Officer

By: /s/ SARAH-JANE HALL
Name: Sarah-Jane Hall
Title: Group Treasurer

EXHIBIT A

FORM OF PLAN OF DISTRIBUTION

This prospectus relates to the offer and sale from time to time of up to 9,644,792 ordinary shares received upon exchange of the notes by the holders thereof. As discussed above under the caption “*Description of Share Capital—Registration Rights Agreement*”, the ordinary shares received by selling shareholders upon exchange of their notes will be “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act and will contain a legend setting out such restriction and will be segregated until such time as they are sold under the registration statement, of which this prospectus forms a part. We are registering the resale of the ordinary shares received upon exchange of the notes to provide the holders thereof with freely tradable securities, but such shares will not become freely tradable until sold pursuant to the registration statement, of which this prospectus forms a part, and the transfer agent for our ordinary shares receives properly completed and executed transfer instructions from the selling shareholder acceptable to the transfer agent, including a notice of transfer, a confirmation of sale from such selling shareholder’s broker-dealer or other agent and an opinion from our counsel enabling the transfer agent to deliver unrestricted shares to the selling shareholder. The registration of such shares does not necessarily mean that any of the shares will be sold by the selling shareholders.

The selling shareholders may, from time to time, offer the ordinary shares covered by this prospectus in one or more transactions (which may involve crosses or block transactions) on the Nasdaq Global Select Market or otherwise, in secondary distributions pursuant to and in accordance with the rules of the Nasdaq Global Select Market, in the over-the-counter market, in negotiated transactions, through the writing of options on such shares (whether such options are listed on an options exchange or otherwise), or a combination of such methods of sale, at fixed prices, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices and through any other method permitted by applicable law. In addition, any ordinary shares covered by this prospectus that qualify for sale under Rule 144 under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act, if available, may be sold under that rule or exemption rather than pursuant to this prospectus. The selling shareholders will act independently of us in making decisions with respect to the timing, manner and size of each sale.

The selling shareholders may effect such transactions by selling the ordinary shares covered by this prospectus to or through broker-dealers or through other agents, and such broker-dealers or agents may receive compensation in the form of commissions from the selling shareholders and/or the purchasers of shares for whom they may act as agent. The selling shareholders and any agents or broker-dealers that participate in the distribution of such ordinary shares may be deemed to be “underwriters” within the meaning of the Securities Act, and any commissions received by them and any profit on the sale of such ordinary shares may be deemed to be underwriting commissions or discounts under the Securities Act.

In connection with the sale of the ordinary shares received upon exchange of the notes or interests therein, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of our ordinary shares in the course of hedging the positions they assume.

In order to comply with the securities laws of certain states, if applicable, the ordinary shares covered by this prospectus must be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states such ordinary shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

The selling shareholders are subject to the applicable provisions of the Exchange Act and the rules and regulations under the Exchange Act, including Regulation M. This regulation may limit the timing of purchases and sales of any of the ordinary shares offered in this prospectus by the selling shareholders. The anti-manipulation rules under the Exchange Act may apply to sales of such ordinary shares in the market and to the activities of the selling shareholders and their affiliates. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the ordinary shares offered by this prospectus to engage in market-making activities for the particular ordinary shares being distributed for a period of up to five business days before the distribution. The restrictions may affect the marketability of such ordinary shares and the ability of any person or entity to engage in market-making activities for the ordinary shares.

At a time a particular offer of the ordinary shares covered by this prospectus is made, a prospectus supplement, if required, will be distributed that will set forth the name or names of any dealers or agents and any commissions and other terms constituting compensation from the selling shareholders and any other required information. The ordinary shares covered by this prospectus may be sold from time to time at varying prices determined at the time of sale or at negotiated prices.

The selling shareholders party to the Registration Rights Agreement have agreed to indemnify us, our directors, officers who signed the registration statement of which this prospectus forms a part, employees, agents and representatives, and each person, if any, who controls us, our legal counsel, accountants, any underwriter, any other selling shareholder and any controlling person of any such underwriter or selling shareholder from and against certain liabilities related to the sale of such selling shareholder's ordinary shares offered in this prospectus, including liabilities under the Securities Act.

WAIVER AND ASSIGNMENT OF REGISTRATION RIGHTS AND VOTING AGREEMENT

This WAIVER AND ASSIGNMENT OF REGISTRATION RIGHTS AND VOTING AGREEMENT (this “Agreement”) is made and entered into as of June 22, 2020, by and among GSK Finance (No.3) plc, a public limited company incorporated under the laws of England and Wales (“GSK Finance”), Glaxo Group Limited (“GGL”) and Theravance Biopharma, Inc., a Cayman Islands exempted company (the “Company” and with GSK Finance and GGL, each a “Party”).

RECITALS

WHEREAS, GSK Finance will acquire 9,644,807 ordinary shares of the Company, \$0.00001 par value per share (the “Theravance Shares”) from GGL pursuant to the share purchase agreement entered into between GGL and GSK Finance dated June 12, 2020 (the “Share Purchase”), in connection with the Offering (as defined below);

WHEREAS, on the date hereof, GSK Finance is issuing \$280,336,000 Exchangeable Senior Notes Due 2023 (the “Notes”), guaranteed on a senior basis by GlaxoSmithKline plc, exchangeable into substantially all of the Theravance Shares (the “Offering”). The Notes will mature on June 22, 2023 (the “Maturity Date”);

WHEREAS, the Company and GGL are party to the Registration Rights Agreement dated March 3, 2014, as amended on February 10, 2020 (the “Registration Rights Agreement”), pursuant to which GGL has certain notice and registration rights;

WHEREAS, GSK Finance is a wholly-owned subsidiary and an Affiliate of GGL;

WHEREAS, in connection with the Share Purchase, GGL desires to assign its rights under the Registration Rights Agreement to GSK Finance (the “Assignment”) and concurrently notify the Company in writing of such Assignment in accordance with Section 1.11 of the Registration Rights Agreement;

WHEREAS, in connection with the Offering, GGL and GSK Finance desire to waive their registration rights under the Registration Rights Agreement, subject to the terms and conditions herein;

WHEREAS, in connection with the Offering, the Company is entering into a registration rights agreement on the date hereof (the “Additional Registration Rights Agreement”) with the investors in the Notes in respect of the Theravance Shares deliverable upon exchange of the Notes; and

WHEREAS, the Parties desire to enter into this Agreement on the terms and conditions concerning the voting of all Voting Shares owned by GGL, GSK Finance or their controlled Affiliates, and the waiver of their registration rights under the Registration Rights Agreement, subject to the terms and conditions herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained herein, each Party hereby agrees as follows:

ARTICLE I**WAIVER AND ASSIGNMENT OF RIGHTS UNDER THE REGISTRATION RIGHTS AGREEMENT****Section 1.1. Assignment.**

GGL hereby assigns its rights under the Registration Rights Agreement to GSK Finance in accordance with Section 1.11 of the Registration Rights Agreement and GSK Finance hereby agrees to be bound by and subject to the terms and conditions of the Registration Rights Agreement, including without limitation the provisions of Section 1.12 thereof. In accordance with Section 1.11 of the Registration Rights Agreement, the following information is provided to the Company with respect to GSK Finance:

- Legal name: GSK Finance (No.3) plc
 - Address: 980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom
 - Securities with respect to which GGL’s registration rights are being assigned: 9,644,807 ordinary shares of Theravance Biopharma, Inc., par value \$0.00001 per share
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Section 1.2. Waiver of Rights under Section 1 of the Registration Rights Agreement.

(a) Each of GGL and, with effect from the date on which GSK Finance is included as the registered holder of the Theravance Shares on the Company's register of shareholders pursuant to the Share Purchase, GSK Finance hereby waives all of its rights under Section 1 of the Registration Rights Agreement. Except as expressly set forth herein, GGL and GSK Finance are not waiving any right or remedy under the Registration Rights Agreement, which remains in full force and effect in accordance with its terms.

(b) The waiver pursuant to Section 1.2(a) above shall terminate with immediate effect upon the earlier of (i) the maturity date of the Notes; (ii) any such other date on which the Notes are no longer issued and outstanding; or (iii) at any time that GGL or GSK Finance, as the case may be, determines that it can no longer continue to own the shares under applicable laws or regulations.

Section 1.3. Consent to New Registration Right Agreement.

Each of GGL and GSK Finance hereby consent to the entry into the Additional Registration Rights Agreement.

ARTICLE II

VOTING AGREEMENT

Section 2.1. Voting.

(a) Except as set forth in Section 2.1(b), GGL and GSK Finance shall ensure that all Voting Shares owned by GGL, GSK Finance or their controlled Affiliates shall be voted on all matters, at the election of GSK Finance, either (i) in accordance with the recommendation of the Independent Directors of the Board or (ii) in proportion to the votes cast by the other holders of the Company's Voting Shares.

(b) GGL and GSK Finance shall ensure that all Voting Shares owned by GGL, GSK Finance or their controlled Affiliates are voted as set forth in 2.1(a), unless the matter being voted upon involves any of the following:

(i) any proposal to issue Equity Securities to one or more parties in one transaction or a series of transactions that result in any Person or group (within the meaning of Section 13(d)(3) of the Exchange Act) other than GSK Finance and its Affiliates owning or having the right to acquire or intent to acquire beneficial ownership of Equity Securities with aggregate voting power of greater than 20% or more of the aggregate voting power of all outstanding Equity Securities (for the avoidance of doubt, in no event shall any such proposed issuance covered by this clause (ii) include a sale of the Company's securities in a public offering); or

(ii) any Change in Control.

(c) Each of GGL and GSK Finance hereby, on behalf of itself and its controlled Affiliates, appoints the Board as its proxy and each of GGL and GSK Finance hereby, on behalf of itself and its controlled Affiliates, grants to the Board an irrevocable proxy to vote, or execute and deliver written consents or otherwise act with respect to all Voting Shares of the Company now owned or hereafter acquired by GGL, GSK Finance or their controlled Affiliates in the manner in which each of GGL and GSK Finance is obligated to vote, consent or act pursuant to this Section 2.1. According to such proxy, each of GGL and GSK Finance, on behalf of itself and its controlled Affiliates, hereby directs the Board to vote in accordance with the recommendation of the Independent Directors of the Board, unless and until GSK Finance notifies the Board otherwise. Such proxy shall be irrevocable until this Agreement terminates pursuant to its terms in Section 2.2 or this Section 2.1 is amended to remove such grant of proxy, and is coupled with an interest in all Voting Shares of the Company owned by GGL, GSK Finance or their controlled Affiliates. This Agreement shall constitute the proxy granted pursuant hereto.

Section 2.2. Termination.

The voting agreement as set forth in Section 2.1 above shall terminate at the earliest of (i) the Maturity Date, (ii) a change in the composition of more than 50% of the members of the Board as of the date hereof and (iii) the effective time of a Change in Control.

ARTICLE III

MISCELLANEOUS

Section 3.1. Notices.

If to Theravance:

Theravance Biopharma, Inc.
PO Box 309
Ugland House, South Church Street
George Town, Grand Cayman, Cayman Islands
Attn: Office of General Counsel
Tel: +1 650 808 6000
Email: legal@theravance.com

With a copy to:

Theravance Biopharma, Inc.
c/o Theravance Biopharma US, Inc.
901 Gateway Boulevard
South San Francisco, CA 94080
Attention: Office of General Counsel

Skadden, Arps, Meagher & Flom LLP
525 University Avenue
Palo Alto, California 94301-1908
Attn: Amr Razzak
Tel: +1 650 470 4533
Email: amr.razzak@skadden.com

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
550 Allerton Street
Redwood City, California 94063
Attn: Jeffrey Vetter
Tel: +1 650 321-2400
Email: jvetter@gunderson.com

If to GSK Finance:

GSK Finance (No.3) plc
980 Great West Road
Brentford, London
TW8 9GS
United Kingdom
Attn: Victoria Whyte
Tel: +44 20 8047 5000
Email: company.secretary@gsk.com

With a copy to:

GlaxoSmithKline plc
980 Great West Road
Brentford, London
TW8 9GS
United Kingdom
Attn: Victoria Whyte
Tel: +44 20 8047 5000
Email: company.secretary@gsk.com

and with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
2 London Wall Place
London EC2Y 5AU
United Kingdom
Attn: Sebastian R. Sperber
Tel: +44 20 7614 2237
Email: ssperber@cgsh.com

or such other address or email address as such party may hereafter specify for the purpose by notice to the other parties hereto. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given upon the earlier to occur of actual receipt or (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail if sent during normal business hours of the recipient, or if not, then on the next Business Day or (iii) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt.

Section 3.2. Amendments; Waivers.

(a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by GGL, GSK Finance and the Company, or in the case of a waiver, by the party against whom the waiver is to be effective; provided that, in the case of the Company, no such amendment or waiver shall be effective without the approval of a majority of the Independent Directors.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 3.3. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the written consent of the other party hereto.

Section 3.4. Governing Law. This Agreement shall be governed by and construed in accordance with and governed by the law of the State of Delaware, without regard to the conflicts of laws principles thereof. Any action brought, arising out of, or relating to this Agreement shall be brought in the Court of Chancery of the State of Delaware. Each party hereby irrevocably submits to the exclusive jurisdiction of said Court in respect of any claim relating to the validity, interpretation and enforcement of this Agreement, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding in which any such claim is made that it is not subject thereto or that such action suit or proceeding may not be brought or is not maintainable in such courts, or that the venue thereof may not be appropriate or that this agreement may not be enforced in or by such courts. The parties hereby consent to and grant the Court of Chancery of the State of Delaware jurisdiction over such parties and over the subject matter of any such claim and agree that mailing of process or other papers in connection with any such action, suit or proceeding in the manner provided in Section 3.1, or in such other manner as may be permitted by law, shall be valid and sufficient thereof.

Section 3.5. Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original and which together shall constitute one and the same document.

Section 3.6. Specific Performance. Each party acknowledges and agrees that their respective remedies at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and, in recognition of that fact, agrees that, in the event of a breach or threatened breach by the Company, on the one hand, or GSK Finance, on the other hand, of the provisions of this Agreement, in addition to any remedies at law, GSK Finance and the Company, respectively, without posting any bond shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available.

Section 3.7. Severability. In the event of the invalidity of any provisions of this Agreement or if this Agreement contains any gaps, the parties agree that such invalidity or gap shall not affect the validity of the remaining provisions of this Agreement. The parties will replace an invalid provision or fill any gap with valid provisions which most closely approximate the purpose and economic effect of the invalid provision or, in case of a gap, the parties' presumed intentions. In the event that the terms and conditions of this Agreement are materially altered as a result of the preceding sentences, the parties shall renegotiate the terms and conditions of this Agreement in order to resolve any inequities. Nothing in this Agreement shall be interpreted so as to require either party to violate any applicable laws, rules or regulations.

Section 3.8. Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" of a party means any Person, whether de jure or de facto, which directly or indirectly controls, is controlled by, or is under common control with such Person for so long as such control exists, where "control" means the decision-making authority as to such Person and, further, where such control shall be presumed to exist where a Person owns more than fifty percent (50%) of the equity (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) having the power to vote on or direct the affairs of the entity; it being specified that for purposes of this Agreement, the Company and its direct and indirect subsidiaries, if any, shall not be deemed to be Affiliates of GSK Finance.

"Board" means the Board of Directors of the Company.

"Business Day" means any day other than a Saturday, a Sunday or a day on which the Securities Exchange Commission is closed or on which banks in the State of Delaware are required or authorized by law to be closed.

"Change in Control" means, with respect to (A) the Company, any transaction or series of related transactions (including mergers, consolidations and other forms of business consolidations) following which continuing shareholders of the Company hold less than 50% of the outstanding voting securities of either the Company, the entity surviving such transaction or any direct or indirect parent entity of such continuing or surviving entity or (B) the sale, lease, license, transfer or other disposal of all or substantially all of the business or assets of the Company other than to a Person that is and for so long as it continues to be majority owned and controlled, directly or indirectly, subsidiary of the Company.

"Equity Security" means any (i) Voting Shares of the Company, (ii) securities of the Company convertible into or exchangeable for Voting Shares and (iii) options, rights and warrants issued by the Company to subscribe for or acquire Voting Shares.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Independent Director" shall mean a director who complies with the independence requirements for directors with respect to the Company (without reference to any applicable exemptions from such requirements) for companies listed on Nasdaq. For the avoidance of doubt, a person affiliated with GGL or GSK Finance may not be an Independent Director.

"Person" means any natural person, corporation, general partnership, limited partnership, limited liability company, joint venture, proprietorship or other business organization.

"Voting Shares" shall mean the ordinary shares of the Company and any other outstanding securities of the Company having the right to vote generally in any appointment of directors of the Board.

Section 3.9. Captions. The captions, headings and arrangements used in this Agreement are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THERAVANCE BIOPHARMA, INC.

By: /s/ Rick E Winningham
Name: Rick E Winningham
Title: Chief Executive Officer

GSK FINANCE (NO.3) PLC

By: /s/ P. K. HOPKINS
Name: P. K. Hopkins
Title: Director

GLAXO GROUP LIMITED

By: /s/ JOHN SADLER
Name: John Sadler
Title: Authorized Signatory for and on behalf of The Wellcome
Foundation Limited Corporate Director

COOPERATION AGREEMENT

This COOPERATION AGREEMENT (this "Agreement") is entered into as of June 22, 2020, by and among THERAVANCE BIOPHARMA, INC. (the "Company"), GLAXOSMITHKLINE PLC ("GSK") and GSK FINANCE (NO.3) PLC (the "Issuer").

WHEREAS, on the date hereof, the Issuer has issued \$280,336,000 Exchangeable Senior Notes due 2023 (the "Notes") exchangeable into 9,644,792 ordinary shares of the Company currently owned indirectly by GSK (the "Shares"), guaranteed on a senior basis by GSK, pursuant to an indenture dated as of the date hereof by and among GSK, the Issuer and Deutsche Bank Trust Company Americas, as trustee (as in effect on the date hereof, the "Indenture");

WHEREAS, on the date hereof, the Company, GSK and the Issuer have entered into a registration rights agreement to provide for resale registration rights for the Holders (the "Registration Rights Agreement"); and

WHEREAS, the Company, GSK and the Issuer desire to enter into this Agreement on the terms and conditions set forth herein concerning the exercise of the Cash Settlement Option and the exercise of resale registration rights by Holders pursuant to the Registration Rights Agreement;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Cash Settlement Option.
 - a. The Issuer shall, subject to the next sentence, deliver to Holders that exercise their Exchange Rights their *pro rata* share of the Exchange Property in satisfaction of any such exercise. The Issuer may exercise the Cash Settlement Option (i) where the Notes submitted for exchange on the relevant Exercise Date have an aggregate principal amount of less than \$1,000,000; *provided that* the aggregate cash amount delivered upon such exchanges shall not exceed \$22,000,000; or (ii) solely to the extent that, in its reasonable judgment, it is unable to satisfy such Exchange Right through the delivery of the relevant *pro rata* share of the Exchange Property due to practical difficulties on the Exercise Date that cannot be resolved through the Issuer using its commercially reasonable efforts at the time that the Exchange Property is required to be delivered to such Holders.
 - b. The Issuer shall deliver to Holders that exercise their Exchange Right on or after the delivery of a Redemption Notice (other than a redemption pursuant to Section 5.7(b) of the Indenture) by the Issuer until (and including) the Redemption Date their *pro rata* share of the Exchange Property in satisfaction of any such exercise and will not exercise the Cash Settlement Option in relation to such exchanges.
 - c. The Issuer will not redeem the Notes pursuant to the provisions of Section 5.7 of the Indenture during any period in relation to which the Company has notified the Holders pursuant to Sections 3(e), 3(f) and 3(g) of the Registration Rights Agreement that resales of Registrable Securities (as defined in the Registration Rights Agreement) are suspended. The Company will give the Issuer notice of any such suspension at the same time that it gives notice thereof to Holders.
 2. Notifications to the Company. The Issuer will provide notice to the Company of the following:
 - a. any election by the Issuer to exercise the Cash Settlement Option;
 - b. the relevant *pro rata* share of the Exchange Property to be delivered to a Holder upon any exercise of its Exchange Right, including the amount of any cash payment to such Holder in lieu of fractional Shares in accordance with Section 3(a) below;
 - c. the delivery of any Redemption Notice to the Holders (to be delivered to the Company one business day in advance of delivery to Holders);
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- d. the occurrence of any events that the Issuer reasonably expects to affect the Issuer's ability to deliver the Exchange Property;
- e. when any notice from the Issuer is delivered to Holders; and
- f. any amendment to the Indenture.

3. Confirmation of Exchange Notice; Delivery of Transfer Requests.

- a. Subject to the next sentence, within two (2) Business Days following the receipt of an Exchange Notice from Holders exercising their Exchange Rights, the Issuer will provide written notice to the Company of the number of Shares that will be delivered to the exchanging Holder. If any Exchange Notice is received by the Issuer (i) after March 22, 2023 or (ii) at least five (5) Business Days prior to the applicable Redemption Date, then the Issuer will provide to the Company, not later than 5:00 p.m. (Eastern) on the fourth (4th) Business Day prior to the Maturity Date or the Redemption Date, as applicable, a schedule containing the names of all the exchanging Holders and the respective number of Shares to be delivered to each such Holders.
- b. The Issuer will deliver a copy of any transfer request form delivered to Computershare, as transfer agent in connection with the delivery of Shares to Holders upon exercises by Holders of their Exchange Rights, to the Company by email to the email address specified below prior to or concurrently with the mailing or delivery of such transfer request form to Computershare.

4. Definitions. Capitalized terms used and not defined herein shall have the respective meanings set forth in the Indenture.

5. Notices. All communications hereunder shall be in writing and shall be sent by confirmed electronic mail, mailed, hand delivered or couriered and confirmed to the parties hereto as follows:

- a. If to the Company:

Theravance Biopharma, Inc.

PO Box 309
Ugland House, South Church Street
George Town, Grand Cayman, Cayman Islands
Attn: Office of General Counsel
Tel: (650) 808-6000
Email: legal@theravance.com

with a copy to:

Theravance Biopharma, Inc.
c/o Theravance Biopharma US, Inc.
901 Gateway Boulevard
South San Francisco, CA 94080
Attention: Office of General Counsel

Skadden, Arps, Meagher & Flom LLP
525 University Avenue
Palo Alto, California 94301-1908
Attn: Amr Razzak
Tel: 650-470-4533
Email: amr.razzak@skadden.com

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
550 Allerton Street
Redwood City, California 94063
Attn: Jeffrey Vetter
Tel: 650-321-2400
Email: jvetter@gunderson.com

b. If to GSK and the Issuer:

GlaxoSmithKline plc
980 Great West Road
Brentford TW8 9GS
England
Attention: Victoria Whyte
Tel: +44 20 8047 5000
E-mail: company.secretary@gsk.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
2 London Wall Place
London EC2Y 5AU
England
Attn: Sebastian Sperber
Tel: +44 20 7614 2200
Email: ssperber@cgsh.com

Any party hereto may change the address or email address for receipt of communications by giving written notice to the others.

6. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

7. Counterparts. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

THERAVANCE BIOPHARMA, INC.

By: /s/ Rick E Winningham
Name: Rick E Winningham
Title: Chief Executive Officer

GLAXOSMITHKLINE PLC

By: /s/ P. K. HOPKINS
Name: P. K. Hopkins
Title: Authorized Signatory

GSK FINANCE (NO.3) PLC

By: /s/ P. K. HOPKINS
Name: P. K. Hopkins
Title: Director
