



# Notice of Annual General Meeting 2016 of Centrica plc

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Queen Elizabeth II Conference Centre  
Broad Sanctuary  
Westminster  
London  
SW1P 3EE

Monday 18 April 2016 at 11.00 am

This document is important and  
requires your immediate attention.

If you are in any doubt as to the action you should take, you should consult your professional adviser immediately. If you have either sold or transferred your shares, this Notice and the accompanying Proxy/Voting Form should be passed to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

Notice is hereby given that the twentieth Annual General Meeting (AGM) of Centrica plc (the Company) will be held at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE on 18 April 2016 at 11.00 am for the transaction of the following business:

To consider and, if thought fit, pass resolutions 1 to 19 as ordinary resolutions and resolutions 20 to 23 as special resolutions. Voting on all resolutions will be by way of a poll. Please complete and submit a Proxy/Voting Form in accordance with the instructions printed on the form, whether or not you propose to attend the AGM. The Proxy/Voting Form must be received by 11.00 am on 14 April 2016.

Notes explaining the resolutions and your rights to attend and vote at this meeting are provided on pages 4 to 9.

# The Resolutions

## REPORT AND ACCOUNTS

1. To receive the Accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2015.

## REMUNERATION REPORT

2. To approve the Directors' Annual Remuneration Report for the year ended 31 December 2015 as set out on pages 63 to 79.

## DIVIDEND

3. That a final dividend of 8.43 pence per ordinary share be paid on 23 June 2016 to shareholders on the Register of Members at the close of business on 13 May 2016.

## ELECTION OF DIRECTORS

4. That Jeff Bell be elected as a Director of the Company.
5. That Mark Hodges be elected as a Director of the Company.

## RE-ELECTION OF DIRECTORS

6. That Rick Haythornthwaite be re-elected as a Director of the Company.
7. That Iain Conn be re-elected as a Director of the Company.
8. That Margherita Della Valle be re-elected as a Director of the Company.
9. That Mark Hanafin be re-elected as a Director of the Company.
10. That Lesley Knox be re-elected as a Director of the Company.
11. That Mike Linn be re-elected as a Director of the Company.
12. That Ian Meakins be re-elected as a Director of the Company.
13. That Carlos Pascual be re-elected as a Director of the Company.
14. That Steve Pusey be re-elected as a Director of the Company.

## AUDITORS

15. That PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid.
16. That the Directors be authorised to determine the Auditors' remuneration.

## POLITICAL DONATIONS

17. That, in accordance with section 366 of the Companies Act 2006 (the Act), the Company and any company which is, or becomes, a subsidiary of the Company during the period to which this resolution relates are authorised:
  - a. to make donations to political parties or independent election candidates, as defined in sections 363 and 364 of the Act, not exceeding £125,000 in total;
  - b. to make donations to political organisations other than political parties, as defined in sections 363 and 364 of the Act, not exceeding £125,000 in total; and
  - c. to incur political expenditure, as defined in section 365 of the Act, not exceeding £125,000 in total, provided that the aggregate amount of any such donations and expenditure shall not exceed £125,000 during the period commencing on the date of the passing of this resolution and until the conclusion of the 2017 AGM (or, if earlier, until the close of business on 30 June 2017).

## RATIFICATION OF TECHNICAL BREACH OF BORROWING LIMIT

18. That any and all borrowings or other liabilities outstanding or incurred and any mortgage, charge or other security granted by the Company and/or any of its subsidiaries prior to the passing of this resolution in excess of the limitations on borrowings contained in Article 94 of the Company's Articles of Association (Articles), be and are hereby ratified and that each Director be released from any liability to the Company in respect of any of such matters having been done or allowed to subsist in breach of the said Article and that the Company discharge the costs incurred in relation to the convening of this AGM that are solely attributable to the rectification of the breach of the said Article provided that, in respect of any particular Director, the aggregate amount of such release and of such costs shall not exceed an amount equal to 0.25% of the Company's market capitalisation as at the date of this resolution.

## AUTHORITY TO ALLOT SHARES

19. In accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
  - a. up to a nominal amount of £104,324,518 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of £104,324,518; and
  - b. comprising equity securities (as defined in section 560(1) of the Act) up to a nominal amount of £208,649,036 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of a rights issue to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities as required by the rights of those securities, or as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply until the conclusion of the 2017 AGM (or, if earlier, until the close of business on 30 June 2017) but, in each case, so that the Company may make offers and enter into agreements during this period which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

#### AUTHORITY TO DISAPPLY PRE-EMPTION RIGHTS

20. That, subject to the passing of Resolution 19 set out previously, the Directors be given power to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares of 6<sup>1</sup>/<sub>8</sub> pence each in the Company (ordinary shares) held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, with such power to be limited:

- a. to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 19 set out previously, by way of a rights issue only) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities, as required by the rights of those securities or, as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- b. in the case of the authority granted under paragraph (a) of Resolution 19, and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) of this resolution) of equity securities or sale of treasury shares up to a nominal amount of £31,297,355 (being approximately 10% of the issued share capital as at 18 February 2016) such power to apply until the conclusion of the 2017 AGM (or, if earlier, until the close of business on 30 June 2017), save that during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

#### AUTHORITY TO PURCHASE OWN SHARES

21. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares provided that:

- a. the maximum number of ordinary shares hereby authorised to be purchased is 507,017,158;
- b. the minimum price which may be paid for each such ordinary share is 6<sup>1</sup>/<sub>8</sub> pence;
- c. the maximum price which may be paid for each such ordinary share is the higher of: (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share in the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System, in each case, exclusive of expenses; and

- d. this authority shall expire at the conclusion of the 2017 AGM or, if earlier, the close of business on 30 June 2017, except in relation to a purchase of ordinary shares, the contract for which was concluded before such time and which will or may be executed wholly or partly after such time and the Company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

#### INCREASE IN THE COMPANY'S BORROWING POWERS

22. That the Company's Articles be amended by replacing the current Article 94(B)(i) with the following new Article 94(B)(i):

"The directors must limit the borrowings of the company and exercise all voting and other rights or powers of control exercisable by the company in relation to its subsidiary undertakings so as to ensure that the total amount of the group's borrowings does not exceed an amount equal to the greater of £10,000,000,000 and three times the company's adjusted capital and reserves. This affects subsidiary undertakings only to the extent that the directors can do this by exercising these rights or powers of control."

#### NOTICE OF GENERAL MEETINGS

23. That a general meeting of the Company other than an AGM may be called on not less than 14 clear days' notice.

The Directors believe that the proposals described in this Notice are in the best interests of the Company and its shareholders as a whole. They recommend you give them your support by voting in favour of all the resolutions, as they intend to do so in respect of their own beneficial shareholdings, except with regard to Resolution 18 on which they will not vote as they are interested parties.

By order of the Board

#### Grant Dawson

Group General Counsel & Company Secretary

18 February 2016

Registered office: Millstream, Maidenhead Road,

Windsor, Berkshire SL4 5GD

Registered in England and Wales No. 3033654

A Proxy/Voting Form is enclosed with this Notice and instructions for its completion and return by post are shown on the form. You are strongly encouraged to vote online at [sharevote.co.uk](http://sharevote.co.uk).

# Notes to the Resolutions

## EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

**Resolutions 1 to 19 will be proposed as ordinary resolutions which require a simple majority of the votes to be cast in favour.**

**Resolutions 20 to 23 will be proposed as special resolutions which require a 75% majority of the votes to be cast in favour.**

### **Resolution 2: To approve the Directors' Annual Remuneration Report for the year ended 31 December 2015**

The Directors' Annual Remuneration Report is on pages 63 to 79 of the Annual Report and Accounts 2015. It gives details of Directors' remuneration and other relevant information. There is a summary of the Directors' Annual Remuneration Report on pages 53 and 54 of the Annual Review 2015.

### **Resolutions 4 to 14: Election and re-election of Directors**

Biographical details of our Directors can be found in Appendix 1 and on our website, [centrica.com](http://centrica.com).

The UK Corporate Governance Code (the Code) recommends that all directors of FTSE 350 listed companies should be subject to annual election by shareholders and the Board of Centrica has endorsed this recommendation.

Jeff Bell and Mark Hodges will stand for election at the 2016 AGM following their appointments to the Board on 1 August 2015 and 1 June 2015 respectively. All other members of the Board will stand for re-election.

The Board believes that each Non-Executive Director standing for re-election continues to provide an effective contribution to the Board and should, therefore, be re-elected. This follows a process of formal evaluation which confirms that each Director makes an effective and valuable contribution to the Board. Each of the Non-Executive Directors has given an assurance to the Board that they remain committed to their role as Non-Executive Directors and will ensure that they devote sufficient time to their duties, including attendance at Board and Committee meetings. The Board concludes that each Non-Executive Director is independent. The Directors' and Corporate Governance Report on pages 47 to 62 of the Annual Report and Accounts 2015 contains details of the role of the Board and its Committees. A summary can be found in the Annual Review 2015 on pages 50 to 52.

### **Resolution 15: That PricewaterhouseCoopers LLP be re-appointed as Auditors**

The Company is required to appoint Auditors at each general meeting at which accounts are laid, to hold office until the conclusion of the next such meeting. The Company's Audit Committee has recommended to the Board the re-appointment of PricewaterhouseCoopers LLP and the Board has endorsed this recommendation. In accordance with the Code, the Group expects to perform an audit tender before 2017, but will continue to monitor corporate governance implications and the ongoing performance of PricewaterhouseCoopers LLP.

### **Resolution 16: That the Directors be authorised to determine the Auditors' remuneration**

This resolution authorises the Directors, in accordance with standard practice, to determine the remuneration of the Auditors. The Audit Committee will approve the audit fees, on behalf of the Board.

### **Resolution 17: Authority for political donations and political expenditure in the European Union**

The Company has a policy that it does not make donations to, or incur expenditure on behalf of, political parties, other political organisations or independent election candidates and the Directors have no intention of doing so. However, the Act contains restrictions on companies making political donations or incurring political expenditure and it defines these terms very widely, such that activities that form part of the normal relationship between the Company and bodies concerned with policy review, law reform and other business matters affecting the Company may be included. Such activities, which are in the shareholders' interests for the Company to conduct, are not designed to support, or implement support for, a particular political party, other political organisations or an independent election candidate. The Company believes that the authority proposed under this resolution is necessary to ensure that it does not commit any technical breach that could arise from the uncertainty generated by the wide definitions contained within the Act when carrying out activities in the furtherance of its legitimate business interests. The Company neither made political donations nor incurred political expenditure in 2015, as defined by the Act.

### Resolution 18: Ratification of technical breach of borrowing limit

Article 94 provides that the Group's borrowings should not exceed the greater of (i) £5 billion and (ii) three times its adjusted capital and reserves as defined in the Company's existing Articles.

Following audit sign-off of the Group's audited financial statements for the year ended 31 December 2013, the Group's borrowings were limited by Article 94 to approximately £15.6 billion. The Group's audited financial statements for the year ended 31 December 2014 recognised significant asset impairments which consequently reduced the Group's adjusted capital and reserves. As a result, following audit sign-off of the Group's audited financial statements for the year ended 31 December 2014, the Group's borrowings were limited by Article 94 to approximately £8.2 billion.

Whilst preparing the Group's audited financial statements for the year ended 31 December 2015, the Board became aware that the Group's borrowings would become in excess of the borrowing limit permitted under the Company's Articles following audit sign-off of these financial statements, as a result of the further sizeable asset impairments. The recognition of this further impairment charge on the Group's consolidated balance sheet significantly further reduced the Group's adjusted capital and reserves and this further reduction caused the Company to be in technical breach of the borrowing limit permitted under its Articles as that borrowing limit currently stands at £5 billion.

This technical breach and its consequences can be remedied by shareholders passing a resolution ratifying: (i) all borrowings or other liabilities outstanding or incurred, and any mortgage, charge or other security granted, by the Company and/or any of its subsidiaries prior to the passing of the resolution in excess of the limitations on borrowings contained in Article 94 of the Company's Articles; and (ii) the actions of the Directors who were in office at any time in that period in respect of such matters, including releasing those persons from any liability to the Company for any breach of duty which arose as a result of the Company not complying with its prescribed borrowing limit in that period.

This is the purpose of this resolution which also clarifies that those Directors are not to be personally liable for any costs incurred in connection with this Notice or the AGM. The amount of the liability released (and any such costs) is capped for each such Director at an amount equal to 0.25% of the Company's market capitalisation as at the date on which the resolution is passed.

In order to avoid such a breach occurring again, the Company is proposing to increase the fixed element of the borrowing limit in Article 94 from £5 billion to £10 billion, a level considered more appropriate to the Group's current business (further details are set out in respect of Resolution 22).

### Resolution 19: Authority to allot shares

Paragraph (a) of this resolution would give the Directors the authority to allot shares up to an aggregate nominal amount equal to £104,324,518 (representing 1,690,057,192 ordinary shares). This amount represents approximately one-third of the issued ordinary share capital of the Company as at 18 February 2016, the latest practicable date prior to publication of this Notice, and excludes shares held in treasury. In line with guidance issued by the Investment Association (IA), paragraph (b) of this resolution would give the Directors authority to allot shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £208,649,036 (representing 3,380,114,384 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at 18 February 2016, the latest practicable date prior to publication of this Notice, excluding shares held in treasury.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of the 2017 AGM (or, if earlier, the close of business on 30 June 2017). The Directors have no present intention of issuing any shares other than pursuant to the existing commitments under employee share schemes. However, the Directors may consider issuing shares if they believe it would be appropriate to do so in respect of business opportunities that may arise consistent with the Company's strategic objectives. In the event that the authority is used, the Directors intend to follow best practice regarding its use as recommended by the IA. As at 18 February 2016, the latest practicable date prior to the publication of this Notice, the Company held 58,374,370 shares in treasury, representing 1.2% of the issued share capital.



## Notes to the Resolutions continued

### Resolution 20: Authority to disapply pre-emption rights

Under section 561(1) of the Act, if the Directors wish to allot any equity securities for cash (other than in connection with any employee share scheme) they must offer them to existing shareholders in the first instance in proportion to their holdings (a pre-emptive offer). There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emptive offer. The Articles provide that the Board must take account of the provisions of the legislation relating to pre-emption rights. This resolution would give the Directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing holdings.

This authority would be limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Directors otherwise consider necessary, or otherwise up to an aggregate nominal amount of £31,297,355 (representing 507,017,158 ordinary shares). This aggregate nominal amount represents approximately 10% of the issued ordinary share capital of the Company as at 18 February 2016, the latest practicable date prior to publication of this Notice and excludes shares held in treasury.

This disapplication authority is in line with institutional shareholder guidance, and in particular with the Pre-Emption Group's Statement of Principles (the Pre-Emption Principles) available on [pre-emptiongroup.org.uk](http://pre-emptiongroup.org.uk). The Pre-Emption Principles were revised in March 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to be increased from 5% to 10% of the Company's issued ordinary share capital, provided that the Company confirms that it intends to use the additional 5% authority only in connection with an acquisition or specified capital investment. The Board therefore confirms, in accordance with the Pre-Emption Principles, that to the extent that the authority in paragraph (b) of this resolution is used for an issue of ordinary shares with a nominal value in excess of £15,648,677 (that is 5% of the Company's issued ordinary share capital, excluding the 58,374,370 ordinary shares held in treasury as at 18 February 2016, the latest practicable date prior to publication of this Notice), it intends that it will only be used in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

The Directors also confirm their intention that, in line with the Pre-Emption Principles, no more than 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) will be issued for cash on a non pre-emptive basis during any rolling three-year period, other than to existing shareholders, save as permitted in connection with an acquisition or specified capital investment as described previously, without prior consultation with shareholders.

This authority will expire at the conclusion of the 2017 AGM (or, if earlier, the close of business on 30 June 2017). The Directors confirm that they have no present intention of exercising this authority.

The Board is seeking this authority to ensure that the Company has maximum flexibility permitted by corporate governance guidelines in managing the Company's resources. The Board would only use this authority if satisfied at the time that to do so would be in the interest of the Company and its shareholders.

### Resolution 21: Authority to purchase own shares

In certain circumstances, it may be advantageous for the Company to purchase its own shares. The Directors will only exercise this authority after considering relevant factors, including if whether to do so would result in an increase in earnings per share and would benefit shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account before deciding upon this course of action. Save to the extent that shares are purchased pursuant to the treasury shares provisions of the Act, any shares purchased in this way will be automatically cancelled and the number of shares will be reduced accordingly. Shares purchased by the Company as treasury shares are permitted to be held and dealt with by the Company (including selling the shares or transferring them for the purposes of employee share schemes or cancelling them) subject to certain limitations.

This resolution specifies the maximum number of shares that may be acquired (10% of the Company's issued ordinary share capital as at 18 February 2016) and the maximum and minimum prices at which they may be bought. The total number of options and awards over ordinary shares that were outstanding as at 18 February 2016 was 92,332,935 representing 1.8% of the issued ordinary share capital of the Company excluding treasury shares, at that date (2.3% if the authority to purchase shares under this resolution and that given at the 2015 AGM are used in full).

This authority will expire at the conclusion of the 2017 AGM (or, if earlier, the close of business on 30 June 2017).

## Resolution 22: Increase in the Company's borrowing powers

As stated in the explanatory note to Resolution 18, Article 94 limits the Company's borrowing to the greater of (i) £5 billion and (ii) three times its adjusted capital and reserves as defined in the Company's existing Articles.

Following audit sign-off of the Group's audited financial statements for the year ended 31 December 2013, the Group's borrowings were limited by Article 94 to approximately £15.6 billion. The Group's audited financial statements for the year ended 31 December 2014 recognised significant asset impairments and consequently reduced the Group's adjusted capital and reserves. As a result, following audit sign-off of the Group's audited financial statements for the year ended 31 December 2014, the Group's borrowings were limited by Article 94 to approximately £8.2 billion.

Whilst preparing the Group's audited financial statements for the year ended 31 December 2015, the Board became aware that the Group's borrowings would become in excess of the borrowing limit permitted under the Company's Articles following audit sign-off of these financial statements, as a result of the further sizeable asset impairments. The recognition of this further impairment charge on the Group's consolidated balance sheet significantly further reduced the Group's adjusted capital and reserves and this further reduction caused the Company to be in technical breach of the borrowing limit permitted under its Articles as that borrowing limit currently stands at £5 billion.

As is evidenced above, non-cash accounting adjustments can significantly affect the amount of adjusted capital and reserves, which itself is subject to a multiplier effect. In order to avoid such a breach occurring again, therefore, the Company is proposing to increase the fixed element of the borrowing limit in Article 94 from £5 billion to £10 billion, a level considered more appropriate to the Group's current business.

The Company's external borrowings are already limited by existing internal controls, the need to maintain a favourable credit rating and the principles of sound corporate governance. The adoption of the higher limit will not materially change the Company's borrowing policy and the Board believes it to be in the best commercial interests of the Group.

Shareholders are therefore asked to approve an increase in the Company's borrowing powers such that it will be limited to the greater of (i) £10 billion and (ii) three times its adjusted capital and reserves for the Company (which include those of its subsidiaries).

## Resolution 23: Notice of general meetings

The notice period required by the Act for general meetings (other than AGMs) is 21 days unless the Company: (i) has gained shareholder approval for the holding of general meetings on 14 days' clear notice by passing a special resolution at the most recent AGM; and (ii) offers the facility for all shareholders to vote by electronic means. Resolution 23 seeks such approval and replaces a similar authority granted at the 2015 AGM.

The shorter notice period would not be used as a matter of routine but only where the Company considers the flexibility is merited by the business of the meeting and is thought to be in the best interests of shareholders as a whole. Should this resolution be approved it will be valid until the conclusion of the 2017 AGM.

### Important notes

The following notes explain your general rights as a shareholder and your right to attend and vote at this AGM or to appoint someone else to vote on your behalf.

1. A shareholder entitled to attend, speak and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote instead of him or her provided that each proxy is appointed to attend, speak and vote in respect of a different share or shares. A proxy need not be a shareholder. If a share is held by joint shareholders and more than one of the joint shareholders votes (including by way of proxy), the only vote that will count is the vote of the person whose name is listed before the other voters on the Register of Members for the share.
2. You may register your proxy appointment or voting directions electronically by visiting [sharevote.co.uk](http://sharevote.co.uk), where full details of the procedure are given (see note 3 below for deadlines). If you return more than one proxy appointment, either by paper or electronic communication, that which is received last by the Company's Registrar before the latest time for the receipt of proxies will take priority. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be advantaged or disadvantaged.
3. The appointment of a proxy and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should be: (a) deposited by post or (during normal business hours only) by hand with the Company's Registrar at the address shown on the Proxy Form or received via [sharevote.co.uk](http://sharevote.co.uk), no later than 11.00 am on 14 April 2016, or 48 hours (excluding non-working days) before the time for holding any adjourned AGM or (in the case of a poll not taken on the same day as the AGM or adjourned AGM) for the taking of the poll at which it is to be used; or (b) lodged using the CREST proxy voting service (see note 12).

## Notes to the Resolutions continued

4. The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction (as described in notes 12 to 15) will not prevent a shareholder attending the AGM and voting in person if he or she wishes to do so.
5. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in notes 1, 2 and 3 overleaf does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
7. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day and may also be inspected at the Queen Elizabeth II Conference Centre, from 10.00 am on the day of the AGM until the conclusion of the meeting:
  - a. copies of Directors' service contracts with the Company;
  - b. copies of Non-Executive Directors' letters of appointment; and
  - c. copies of deeds of indemnities granted to each Director.
8. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Act, specifies that only those shareholders listed on the Register of Members as at 6.00 pm on 14 April 2016 (or, if the AGM is adjourned, 6.00 pm on the date two working days before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. In each case, changes to entries on the Register of Members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
9. All resolutions will be taken on a poll so as to accurately record the decisions of all members who have voted either by proxy or who will attend the meeting and vote, based on their shareholding interests in the Company. As soon as practicable following the AGM, the results of the voting at the AGM and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed at [centrica.com](http://centrica.com). A summary of the business transacted will be available, on written request, from the Group General Counsel & Company Secretary at the Company's registered office.
10. As at 18 February 2016, being the latest practicable date prior to the publication of this Notice, the Company's issued ordinary share capital consists of 5,128,545,946 ordinary shares, carrying one vote each. The total voting rights in the Company as at 18 February 2016 are 5,070,171,576 ordinary shares. This figure excludes 58,374,370 shares held in treasury.
11. Copies of this Notice, the Annual Report and Accounts 2015, the Annual Review 2015 and other information required by section 311A of the Act are available at [centrica.com/ar15](http://centrica.com/ar15).
12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual available via [euroclear.com/CREST](http://euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
13. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specification, and must contain the information required for such instruction, as described in the CREST Manual.  
  
The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid for the AGM to be held on 18 April 2016 and any adjournment(s) thereof, be transmitted so as to be received by the Company's Registrar, Equiniti, (ID RA19) no later than 11.00 am on 14 April 2016 or, if the AGM is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.



14. CREST members and, where applicable, their CREST sponsors, or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
15. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
16. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
17. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with section 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
18. Any member or appointed proxy/proxies attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
19. Under sections 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the AGM; and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may be properly moved or a matter may properly be included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the Company not later than 4 March 2016, being the date six clear weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
20. You may not use any electronic address provided in either this Notice or any related documents (including the Proxy/Voting Form) to communicate with the Company for any purposes other than those expressly stated.

# Appendix 1 – biographies

Full biographies can be found at [centrica.com](http://centrica.com)

## RESOLUTION 4: JEFF BELL

### Group Chief Financial Officer

Jeff was appointed Group Chief Financial Officer and joined the Board on 1 August 2015.

#### Skills and experience

Jeff has a broad range of finance experience. He joined the Group's Direct Energy business in Toronto in 2002 where he held various senior finance positions before moving to the Company's head office in 2008 to support the Group Chief Executive and to lead the Group Strategy team. In 2011 he was appointed Director of Corporate Finance. Prior to Centrica, Jeff worked in Toronto for both KPMG, where he qualified as a chartered accountant, and the Boston Consulting Group.

## RESOLUTION 5: MARK HODGES

### Group Executive Director and Chief Executive, Energy Supply & Services, UK & Ireland

Mark joined the Board on 1 June 2015.

#### Skills and experience

Mark brings a strong understanding of the UK consumer market and a track record in improving business performance. He is experienced in working in a regulated environment, driving significant improvements in customer service and efficiency, offer innovation, major IT and change projects. Mark was group chief executive officer of Towergate Partnership and prior to this he spent over 20 years with Norwich Union and Aviva plc holding a variety of finance, planning and strategy roles including sitting on both the executive committee and Aviva plc board.

## RESOLUTION 6: RICK HAYTHORNTHWAITE

### Chairman

Rick joined the Board as a Non-Executive Director on 14 October 2013. He was appointed Chairman of the Board on 1 January 2014 and is Chairman of the Nominations Committee.

#### Skills and experience

Rick has a wealth of knowledge in the energy industry and has significant board experience, both as an executive and non-executive. He led the rescue of Invensys from 2001 to 2005 and the defence, turnaround and subsequent sale of Blue Circle Industries from 1997 to 2001. He has served on the boards of Network Rail as chairman and Cookson, Lafarge, ICI and Land Securities as non-executive director.

#### External appointments

Chairman of the global board of MasterCard Incorporated, QIO Technologies and Arc International.

## RESOLUTION 7: IAIN CONN

### Chief Executive

Iain was appointed Chief Executive on 1 January 2015 and is Chairman of the Disclosure Committee.

#### Skills and experience

Iain has a wealth of experience heading customer-facing businesses and brands. He possesses a deep understanding of the energy sector built up over a lifetime in the industry with a commitment to customers and safety. Iain was previously chief executive, downstream, BP's refining and marketing division from 2007 to 2014. Iain was a board member of BP for 10 years from 2004 and has previously held a number of senior roles throughout BP.

#### External appointments

Non-executive director of BT Group plc.

## RESOLUTION 8: MARGHERITA DELLA VALLE

### Non-Executive Director

Margherita joined the Board on 1 January 2011 and is Chairman of the Audit Committee.

#### Skills and experience

Margherita brings considerable corporate finance and accounting experience and she has a sound background in marketing. She was chief financial officer for Vodafone's European region from April 2007 to October 2010 and chief financial officer of Vodafone Italy from 2004 to 2007. Previously she worked for Omnitel Pronto Italia in Italy and held various consumer marketing positions in business analytics and customer base management prior to moving to finance.

#### External appointments

Deputy Group CFO of Vodafone Group plc, a member of HM Treasury's Financial Management Review Board of HM Government and a trustee of the Vodafone Foundation.

<b>A</b>	Audit Committee
<b>D</b>	Disclosure Committee
<b>N</b>	Nominations Committee
<b>R</b>	Remuneration Committee
<b>S</b>	Safety, Health, Environment, Security & Ethics Committee
<b>●</b>	Denotes Committee Chairman

#### RESOLUTION 9: MARK HANAFIN

##### Group Executive Director and Chief Executive, Energy Production, Trading and Distributed Energy

Mark joined the Board on 14 July 2008.

##### Skills and experience

Mark has senior management experience across the energy value chain from E&P through to product sales. He has excellent midstream and trading credentials as well as a strong track record in developing supply and marketing businesses. Before joining Centrica, Mark spent 21 years with Royal Dutch Shell.

##### External appointments

Non-executive director of EDF Energy Nuclear Generation Group Limited.

**A N R**

#### RESOLUTION 10: LESLEY KNOX

##### Non-Executive Director

Lesley joined the Board on 1 January 2012 and is Chairman of the Remuneration Committee.

##### Skills and experience

Lesley brings a wealth of strategic and financial experience across a range of businesses to the Board and she is an experienced remuneration committee chair. She was previously with British Linen Bank and was a founder director of British Linen Advisers. Lesley was senior non-executive director of Hays Plc and also spent 15 years with Kleinwort Benson.

##### External appointments

Non-executive director of SABMiller plc, trustee of the Grosvenor Estate and chairman of Grosvenor Group Limited. Chairman of Design Dundee Limited and trustee of The National Life Story Collection and National Galleries Scotland.

**N R S**

#### RESOLUTION 11: MIKE LINN

##### Non-Executive Director

Mike joined the Board on 1 June 2013 and is Chairman of the SHESEC.

##### Skills and experience

Mike has considerable experience in the energy sector, particularly exploration and production and the US market. He founded and was previously chairman, chief executive officer and president of LINN Energy, LLC.

##### External appointments

Non-executive director of LINN Energy, LLC, non-executive board member of Nabors Industries, Blackstone Minerals Company, LP and Western Refining Logistics and senior advisor to Quantum Energy Partners. Member of the National Petroleum Council and inducted into the All American Wildcatters.

**N R S**

#### RESOLUTION 12: IAN MEAKINS

##### Senior Independent Director

Ian joined the Board on 1 October 2010 and is Senior Independent Director.

##### Skills and experience

Ian has broad general management and board experience and considerable knowledge of managing businesses with strong brands. Ian is currently chief executive officer of Wolseley plc and was, until April 2009, chief executive of Travelex Holdings Ltd. He was chief executive officer of Alliance UniChem plc until its merger with Boots in July 2006 and between 2000 and 2004 he was president, European major markets and global supply for Diageo plc.

##### External appointments:

Group chief executive of Wolseley plc. It has been announced that Ian expects to retire from Wolseley plc on 31 August 2016.

**A N R**

#### RESOLUTION 13: CARLOS PASCUAL

##### Non-Executive Director

Carlos joined the Board on 1 January 2015.

##### Skills and experience

Carlos has held a number of senior positions in the energy industry and is a senior leader in energy geopolitics and economic and commercial development. Between 2011 and 2014 Carlos established and directed the US State Department's Energy Resource Bureau. Until August 2014 Carlos was special envoy and coordinator for international energy affairs, acting as senior adviser to the US Secretary of State on energy issues. He has also served as US ambassador in Mexico and Ukraine.

##### External appointments

Non-resident senior fellow at the Centre on Global Energy Policy, Columbia University and senior vice president at IHS Inc.

**N R S**

#### RESOLUTION 14: STEVE PUSEY

##### Non-Executive Director

Steve joined the Board on 1 April 2015.

##### Skills and experience

Steve has a wealth of international experience as a senior customer facing business technology leader. He has considerable experience in the telecommunications industry in both the wireline and wireless sectors and in business applications and solutions. Steve has worked for Vodafone, Nortel and British Telecom and is a graduate of the Advanced Management Program at Harvard University.

##### External appointments

Non-executive director of FireEye, Inc. and ARM Holdings plc.

**A N S**

# AGM arrangements

Doors will open at 10.00 am and you may wish to arrive by 10.30 am. Refreshments will be available before and after the AGM. Arrangements have been made to help shareholders with disabilities. Individual induction loops will be available at the registration desk for people with hearing difficulties. Anyone accompanying a shareholder who is in a wheelchair or otherwise in need of assistance will be admitted to the AGM. Please be advised that, for security reasons, we may check your bag or briefcase.

## ARRIVING AT THE AGM VENUE

The AGM will be held at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE at 11.00 am.

### Transport options

#### Underground

The nearest underground stations are St James's Park, Westminster and London Victoria.

#### Mainline

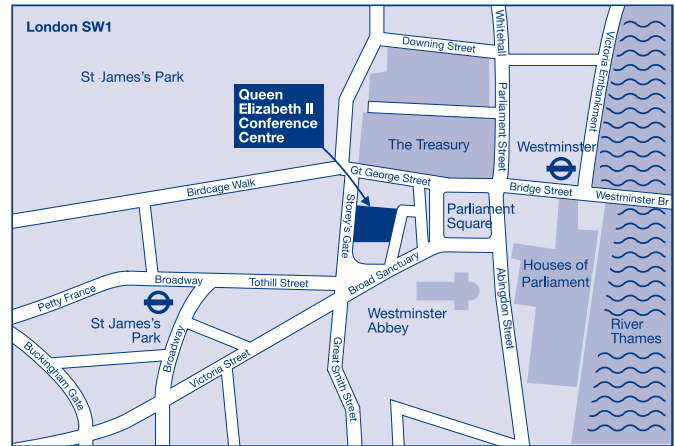
The nearest mainline stations are London Victoria, Charing Cross and Waterloo which are all located within a mile of the AGM venue.

#### Bus

Buses 11, 24, 53, 77a and 88 all stop at Parliament Square. The AGM venue is located just off the Square, directly opposite Westminster Abbey.

#### By car

The postcode is SW1P 3EE, the AGM venue is within the congestion charging zone and does not have onsite parking. The closest car park is located just a short distance from the AGM venue.



For further travel details please visit [qeicentre.london/contact-us/how-to-find-us](http://qeicentre.london/contact-us/how-to-find-us).

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