

EXECUTION VERSION

Dated 18 November 2015

CENTRICA PLC

as Issuer

DEED OF UNDERTAKING

relating to

£450,000,000 Subordinated Resettable Fixed Rate Notes due 2075

Linklaters

Ref: L-242807

Linklaters LLP

This Deed of Undertaking is made on 18 November 2015 by Centrica plc (the "**Issuer**") for the benefit of the Trustee and the Holders and Couponholders

Whereas:

- (A) Whereas the Issuer has issued £450,000,000 Subordinated Resettable Fixed Rate Notes due 2075 (the "**Notes**").
- (B) Pursuant to the Conditions (as defined below) of the Notes, the Issuer is permitted to redeem all, but not some only, of the Notes if a Rating Methodology Event occurs and is continuing.
- (C) On 27 October 2015, Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") announced that it had revised the equity content assigned to several hybrid capital instruments, including the Notes.

Now the Issuer covenants and agrees as follows in favour of and for the benefit of the Trustee, the Holders and the Couponholders:

1 Interpretation

- 1.1** In this Deed, capitalised terms used but not defined have the same meaning as given to them in the Conditions or the Trust Deed. In addition, unless the context otherwise requires:

"**Conditions**" means the terms and conditions applicable to the Notes set out in Part 4 of Schedule 1 of the Trust Deed (as defined below), as modified with respect to any Notes represented by a Global Note by the provisions of the Global Note. Any reference to a particularly numbered Condition shall be construed accordingly;

"**Trust Deed**" means the trust deed dated 10 April 2015 and made between the Issuer and the Trustee in relation to the Notes; and

"**Trustee**" means Citicorp Trustee Company Limited (and the expression "**Trustee**" shall, wherever the context so admits, include any other trustee or trustees for the time being of the Trust Deed).

- 1.2** Headings shall be ignored in construing this Deed.
- 1.3** References in this Deed to this Deed or any other document are to this Deed or such other document as amended, supplemented or replaced from time to time in relation to the Notes and include any document that amends, supplements or replaces them.

2 Undertaking

- 2.1** The Issuer unconditionally and irrevocably undertakes that it will not exercise any right under Condition 6(d) ("*Redemption for Rating Reasons*") to redeem the Notes following the occurrence of a Rating Methodology Event, other than where such event occurs due to a change in, clarification to, or a change in interpretation by the relevant Rating Agency of such Rating Agency's hybrid capital methodology on or after the Issue Date.
- 2.2** For the avoidance of doubt, nothing in this Deed shall affect the rights of the Issuer to redeem or repurchase the Notes under the Conditions other than as set out above.

3 Amendment and Disapplication of this Deed

The Issuer undertakes that it will not amend, vary, terminate or suspend this Deed or its obligations hereunder unless such amendment, variation, termination or suspension shall have been approved by an Extraordinary Resolution (as defined in the Trust Deed), save that

nothing in this Clause 3 shall prevent the Issuer from increasing or extending its obligations under this Deed by way of supplement to it at any time.

4 General

- 4.1** This Deed shall enure for the benefit of the Trustee, the Holders and the Couponholders from time to time, and each of them.
- 4.2** The Trustee shall not be bound to enforce the terms of this Deed or to take any other action or step under or pursuant to this Deed, the Trust Deed or the Notes or the Coupons unless (i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the holders of at least one-quarter in aggregate principal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- 4.3** Only the Trustee may enforce the rights of the Holders and Couponholders against the Issuer, whether the same arise under general law, the Trust Deed, this Deed, the Notes, the Coupons or otherwise, and no Holder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure is continuing.
- 4.4** The Issuer acknowledges and agrees that its covenants and agreements in this Deed, to the extent given to or made in favour of the Trustee, are given to or made in favour of the Trustee in its capacity as Trustee under the Notes. Accordingly, the Issuer acknowledges that all of the rights, remedies, privileges and protections afforded to the Trustee under the Trust Deed will be deemed to extend to the rights of the Trustee under, and to any action taken by the Trustee under, this Deed.

5 Governing Law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.


EXECUTED AND DELIVERED as a DEED
by CENTRICA PLC

By: 

By: 

Acting pursuant to a power of attorney dated
16 March 2015

In the presence of:



MARTYN ESLEY
CENTRICA PLC
MILLSTREAM
MAIDENHEAD ROAD
WINDSOR
BERKSHIRE
SL4 5GD