



Centrica plc Notice of Annual General Meeting 2020

Centrica plc
Millstream
Maidenhead Road
Windsor
Berkshire SL4 5GD

Friday, 22 May 2020 at 9.00 am

This document is important and requires your immediate attention.

If you are not sure what action to take, you should consult your duly authorised professional adviser immediately. If you have either sold or transferred your Company shares, please send this document (but not the accompanying proxy form as this does not apply) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

To be valid, the form of proxy for use at this meeting should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company's Registrar, Equiniti, by no later than 9.00 am on Wednesday, 20 May 2020.

The form of proxy can be delivered by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or electronically to sharevote.co.uk or CREST (if applicable). Further instructions relating to the form of proxy are set out in this AGM notice.

Notice is hereby given that the 2020 Annual General Meeting of Centrica plc (the Company) will be held at Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD on Friday, 22 May 2020 at 9.00 am to consider and, if thought fit, to pass the resolutions set out on the following pages (AGM).

As required by section 311A of the Companies Act 2006 (the Act), Company documents and information referred to in this AGM notice, including the Company's Annual Report and Accounts 2019 and the Annual Review 2019, are available at centrica.com/ar19. A copy of the notice of the 2020 AGM (AGM Notice) is available at centrica.com/agm20.

Notice of 2020 AGM

Dear Shareholder,

I am writing to you for the first time as Chairman of Centrica in the most extraordinary circumstances, as we all face the challenges presented by the COVID-19 pandemic. While it is a great honour and privilege for me to have been asked by your Board to take up the role of Chairman, I am acutely aware that I have taken this role at a time when we need to navigate our way through the current volatility caused by the impact of COVID-19. Clearly, protecting our employees and customers is a priority for us, particularly those who are vulnerable. For the same reasons, to ensure the health and safety of our shareholders, unfortunately we are not able to hold our AGM in the usual way this year. Shareholders' views are very important to us and while your Board is disappointed not to have the opportunity to meet shareholders in person, I hope you will use the alternative arrangements described later in my letter to engage this year.

I am pleased to enclose the Notice of the 2020 Annual General Meeting (the "AGM") of Centrica plc (the "Company"). The Notice of AGM (the "Notice") on pages 4 and 5 sets out the business to be considered at the meeting and explanatory notes appear on pages 6 to 8.

Board Changes

You may have seen that in March we published on our website our 2019 Annual Report and Accounts. Since then there have been a number of changes to your Board.

Firstly, I would like to pay tribute to my predecessor, Charles Berry. In March, we announced that Charles was stepping down as Chairman of the Board following advice from his doctors to reduce his workload. The Board would like to thank Charles for his service to Centrica. We are pleased that he is making a good recovery and we wish him well for the future.

We also announced, in March, that Iain Conn would step down as Group Chief Executive and Chris O'Shea would become Interim Group Chief Executive while we continued the search for a permanent appointment. We quickly completed a review of both the internal and external candidates for this role and came to the conclusion that Chris was comprehensively the best candidate for Centrica. I am delighted that the Board has appointed Chris to the role on a permanent basis with effect from 14 April 2020. We are confident that he is the right leader to navigate Centrica through and beyond the present COVID-19 crisis, focusing on the welfare of our colleagues and customers, the financial resilience of the Company and the agility to move quickly when we emerge from these unprecedented circumstances.

On behalf of the Board, I would like to thank Iain for his commitment and resilience in the face of unprecedented challenges during his tenure as CEO.

I would also like to take this opportunity to welcome Heidi Mottram to Centrica. Heidi joined the Board as a Non-Executive Director in January 2020 and will therefore be standing for election at the AGM. Heidi is the CEO of Northumbrian Water and details of her skills and experience are set out on page 14 of this Notice.

Two of our Non-Executive Directors, Carlos Pascual and Steve Pusey, are not standing for re-election at the AGM and will stand down from the Board with effect from the conclusion of the meeting. I would like to thank both Carlos and Steve for their wise counsel and contributions to Board deliberations over the last five years. We wish them well for the future.

With the exception of Carlos and Steve, all Directors will retire from the Board at the AGM and, being eligible, offer themselves for election or re-election. Your Board recommends their election and re-election, as put forward for shareholder approval by resolutions 3 to 11. The skills and experience that each Director brings to the Board and the Board's reasons for proposing their election or re-election can be found on pages 12 to 14 of this Notice.

Impact of COVID-19 on AGM

The evolving COVID-19 situation and the related Government restrictions will clearly impact the ability of shareholders to attend our AGM this year. In normal circumstances, our AGM is well attended and your Board values greatly the opportunity to meet shareholders in person. However, following the UK Government's introduction of stay at home measures that require every person living in the UK to remain at home and prohibit public gatherings of more than two people and non-essential travel except in specific circumstances (which do not include attending an AGM), it will not be possible to hold the AGM in the normal way.

The health and safety of our shareholders and colleagues is always our utmost priority and therefore we have taken the decision to hold the AGM as a closed meeting and shareholders and their proxies will not be able to attend in person. The AGM will be held at our offices at Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD and the Company will make arrangements such that the legal requirements to hold the meeting can be satisfied through the attendance of a minimum number of directors and employees. We will provide updates in relation to our AGM on our website at centrica.com/agm20 and where appropriate, by RIS announcement.

I encourage all shareholders to exercise their votes by submitting their proxy forms either electronically or by post. Given the current restrictions on attendance, shareholders are encouraged to appoint the chairman of the meeting as their proxy rather than a named person who will not be permitted to attend the meeting. We have also set up a dedicated facility on our website to allow shareholders to ask questions that they would have raised at the AGM. Questions should be submitted via our website at centrica.com/agm20. Answers to questions will be published on our website as soon as practicable following the AGM.

Final Dividend for year ended 31 December 2019

Your Board has also had to take some difficult decisions to underpin the long-term strength of Centrica and to ensure that we emerge from the current crisis well positioned for the future. On 2 April, we issued a trading update in which we identified a range of actions to reduce 2020 cash expenditure to provide flexibility to navigate the impacts of the COVID-19 pandemic. One of these actions was to cancel the proposed 2019 final dividend payment of 3.5p per share, which was to be paid in June 2020. The decision to cancel the dividend was not taken lightly; however, your Board concluded it was the prudent thing to do given it is unclear how long the current situation will last, how customer behaviour may change, the impact on the wider economy, and the extent to which government financial support for households and businesses may help mitigate some of the expected effects. As a consequence, no dividend resolution will be put to shareholders this year.

Directors' Annual Remuneration Report

In 2018, shareholders approved the Remuneration Policy (the "Policy"). The Policy, set out on pages 94 to 99 of the Annual Report and Accounts 2019, is applicable for three years, provided no changes are proposed, and therefore is not being put to shareholders this year. Shareholders will be invited to give their usual advisory vote on the Directors' Annual Remuneration Report which is set out on pages 82 to 93 of the Annual Report and Accounts 2019. This report explains how the Policy was implemented during 2019 and describes the decisions made by the Remuneration Committee which resulted in the Group Chief Executive and the Executive Directors receiving no variable pay for 2019.

Recommendation and voting

Your Board considers that all the proposed resolutions set out in the Notice are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all the resolutions set out on pages 4 and 5, as each of the Directors intends to do in respect of their own shareholdings.

Since shareholders will not be able to attend the AGM in person, I would like to take this opportunity again to encourage all shareholders to exercise their votes by submitting their proxy forms either electronically or by post. All resolutions proposed at the meeting will be decided on by poll to ensure the views of shareholders are accurately reflected and in accordance with current recommended best practice. Details of how to do this can be found on pages 9 to 11 of the Notice.

Scott Wheway

Chairman
17 April 2020

The Resolutions

Resolutions 1 to 15 will be proposed as ordinary resolutions and 16 to 19 will be proposed as special resolutions.

Explanatory notes to the resolutions are set out on pages 6 to 8.

The Directors believe that the proposed resolutions described in this AGM 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 in respect of their own beneficial shareholdings.

Report and accounts

1. To receive Centrica plc's Annual Report and Accounts for the year ended 31 December 2019, together with the reports (including the Strategic Report) of the Directors and Auditors.

Remuneration

2. To approve the Directors' Annual Remuneration Report for the year ended 31 December 2019 as set out on pages 86 to 99 of Centrica plc's Annual Report and Accounts 2019.

Election of Directors

Biographies can be found on pages 12 to 14.

3. That Heidi Mottram be elected as a Director.

Re-election of Directors

4. That Joan Gillman be re-elected as a Director.
5. That Stephen Hester be re-elected as a Director.
6. That Richard Hookway be re-elected as a Director.
7. That Pam Kaur be re-elected as a Director.
8. That Kevin O'Byrne be re-elected as a Director.
9. That Chris O'Shea be re-elected as a Director.
10. That Sarwjit Sambhi be re-elected as a Director.
11. That Scott Wheway be re-elected as a Director.

Auditors

12. That Deloitte LLP be re-appointed as Centrica plc's Auditors, to hold office until the conclusion of the next annual general meeting.
13. That the Directors be authorised to determine the Auditors' remuneration.

Political donations

14. That, in accordance with Part 14 of the Companies Act 2006 (the Act), Centrica plc and all companies that are its subsidiaries at any time during the period for which this resolution is effective are authorised to:

- a. make political donations to political parties and/or independent election candidates;
- b. make political donations to political organisations other than political parties; and
- c. incur political expenditure,

in each case such terms are defined in Part 14 of the Act, provided that the aggregate amount of any such donations and expenditure shall not exceed £125,000. This authority shall commence on the date of the passing of this resolution and remain in force until the conclusion of the next annual general meeting (or, if earlier, until the close of business on 31 July 2021).

Authority to allot shares

15. That, in accordance with section 551 of the Companies Act 2006 (the Act), the Directors be generally and unconditionally authorised to exercise all powers of Centrica plc (the Company) to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

- a. up to a nominal amount of £120,113,868 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of £120,113,868); and
- b. comprising equity securities (as defined in section 560(1) of the Act) up to a nominal amount of £240,227,735 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with any offer by way of a rights issue:
 - (i) to holders of ordinary shares in proportion (as nearly as practicable) to their existing holdings; and
 - (ii) to people who are holders of or otherwise have rights to other equity securities if this is required by the rights of those securities or as the Directors otherwise consider necessary,

and so that, in both cases, the Directors may impose any limits, restrictions, exclusions or other arrangements as they may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

and provided that the Directors may use this authority until the conclusion of the next annual general meeting (or, if earlier, until the close of business on 31 July 2021) 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 expires 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 expired.

Authority to disapply pre-emption rights

16. That, subject to the passing of resolution 15, to authorise the Directors, pursuant to section 570 and section 573 of the Companies Act 2006 (the Act), to allot equity securities (as defined in section 560 of the Act) for cash, as per the authority given by resolution 15, and/or to sell ordinary shares held by Centrica plc as treasury shares for cash, as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority be limited to:

- a. the allotment of equity securities and sale of treasury shares 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 15, by way of a rights issue only):
 - (i) to holders of ordinary shares in proportion (as nearly as practicable) to their existing holdings; and
 - (ii) to holders of other equity securities, as required by the rights attaching thereto, or as the Directors otherwise consider necessary,

in each case subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or securities represented by depositary receipts or having regard to any restrictions, obligations, 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 15 and/or in the case of any sale of treasury shares to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) of this resolution 16) up to an aggregate nominal amount of £18,017,080 (being approximately 5% of the issued share capital as at 14 April 2020),

provided that such authority in paragraph (a) and (b) above shall continue for the same period as the authority conferred by resolution 15 save that, in each case, 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 authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

17. That, subject to the passing of resolution 15, to authorise the Directors, in addition to any authority granted under resolution 16, pursuant to section 570 and section 573 of the Companies Act 2006 (the Act), to allot equity securities (as defined in section 560 of the Act) for cash, as per the authority given by resolution 15, and/or to sell ordinary shares held by Centrica plc (the Company) as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority be:

- a. limited to the allotment of equity securities and/or sale of treasury shares up to an aggregate nominal amount of £18,017,080 (being approximately 5% of the issued share capital as at 14 April 2020); and
- b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date

of this AGM notice, such authority in paragraphs (a) and (b) above shall continue until the conclusion of the next annual general meeting (or, if earlier, until the close of business on 31 July 2020), save that, in each case, 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 authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Authority to purchase own shares

18. That Centrica plc (the Company) be generally and unconditionally authorised to make market purchases (pursuant to section 701 of the Companies Act 2006 (the Act) and within the meaning of section 693(4) of the Act) of ordinary shares in the capital of the Company provided that:

- a. the maximum number of ordinary shares hereby authorised to be purchased is 583,753,407;
- b. the minimum price which may be paid for each such ordinary share is 6¹⁴/₈₁ 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; or
 - (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 next annual general meeting (or, if earlier, the close of business on 31 July 2021), 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 authority had not expired.

Notice of general meetings

19. That a general meeting of Centrica plc other than Centrica plc's annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Justine Campbell

Group General Counsel & Company Secretary
17 April 2020

Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD
Registered in England and Wales No. 3033654

Notes to the Resolutions

Explanatory notes to the proposed resolutions

Resolutions 1 to 15 will be proposed as ordinary resolutions which require a simple majority of the votes to be cast in favour.

Resolutions 16 to 19 will be proposed as special resolutions which require at least a 75% majority of the votes to be cast in favour.

Resolution 1:

To receive the Company's Annual Report and Accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2019

Under the Act, the Directors are required to present the Accounts, Directors' Report and Auditors' Report to shareholders at the AGM. The report of the Directors, the accounts, and the report of the Company's Auditors are contained within the Company's Annual Report and Accounts 2019, hard copies of which have been sent to those shareholders who have elected to receive it and it is available online at centrica.com/ar19.

Resolution 2:

To approve the Directors' Annual Remuneration Report for the year ended 31 December 2019

The shareholders are invited to approve the Directors' Annual Remuneration Report as set out on pages 86 to 93 of the Company's Annual Report and Accounts 2019 and a summary can be found in the Annual Review 2019 on pages 70 and 71. Both give details of Directors' remuneration and other relevant information.

In accordance with the Act, the approval of the Remuneration Report is an advisory vote only and the Directors' entitlement to receive remuneration is not conditional thereon. The resolution and vote are a means of providing shareholder feedback to the Board.

A summary of the main elements of the remuneration policy can be found on pages 84 and 85 of the Annual Report and Accounts 2019. This summary does not form part of the directors' remuneration report for the purposes of resolution 2. The full policy is available at centrica.com. The remuneration policy must be put to shareholders at least every three years, it was previously approved by shareholders on 14 May 2018 and will be considered next at the 2021 annual general meeting.

Resolutions 3 to 11:

Election and re-election of Directors

Biographical details of our Directors can be found on pages 12 to 14 of this AGM notice.

In accordance with the provisions of the 2018 UK Corporate Governance Code, eight of the Directors, with the exception of the Director appointed by the Board subsequent to the previous annual general meeting of the Company, are retiring and seek re-election at the AGM. As per the Company's Articles of Association, Heidi Mottram will stand for election at the 2020 AGM following her appointment to the Board since the 2019 annual general meeting.

The Board believes that each Non-Executive Director is independent and provides an effective contribution to the Board and Centrica's long-term sustainable success. Each of the Non-Executive Directors has given an assurance to the Board that they remain committed to their role as a Non-Executive Director and will ensure that they devote sufficient time to their duties, including attendance at Board and Committee meetings.

Following formal performance evaluations of the Directors seeking re-election, the Chairman considers that the relevant Directors' performances continue to be effective and that they continue to demonstrate commitment to their roles.

Resolutions 12 and 13:

Re-appointment of auditor and the determination of their remuneration

The Auditors of the Company must be appointed or re-appointed at every annual general meeting at which accounts are presented. On the recommendation of the Audit Committee, the Board proposes the re-appointment of the Company's existing Auditors, Deloitte LLP. Deloitte LLP has confirmed its willingness to continue in office as Auditors of the Company. If resolution 12 is approved, Deloitte LLP will be re-appointed until the conclusion of the next annual general meeting.

The remuneration of the Auditors must also be fixed by the Company in a general meeting or in such manner as the Company may determine in a general meeting. Resolution 13 gives authority to the Directors to determine the remuneration of the Company's Auditors. It is normal practice for the Company's Directors, acting through the Audit Committee, to be authorised to determine the Auditors' remuneration.

Resolution 14:

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, Part 14 of 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. To allow these activities to continue and to avoid the possibility of inadvertently contravening the Act, the Company is seeking authority under this resolution to allow the Company or any of its subsidiaries to fund donations or incur expenditure up to a limit of £125,000 per annum in total.

Resolution 15:

Authority to allot shares

The Company's Directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so. Each year the Directors propose a resolution which seeks to renew a similar authority approved at the previous annual general meeting by shareholders and such authority, as required by the Act, will expire on the date of the next annual general meeting (or, if earlier, the close of business on 31 July 2021).

Paragraph (a) of resolution 15 would give the Directors the authority to allot shares up to an aggregate nominal amount equal to £120,113,868 (representing 1,945,844,690 ordinary shares). This amount represents approximately one third of the issued ordinary share capital of the Company (excluding shares held in treasury) as at 14 April 2020.

Paragraph (b) of resolution 15 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 (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems) up to an aggregate nominal amount equal to £240,227,735 (representing 3,891,689,379 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (a) of resolution 15. This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company (excluding shares held in treasury) as at 14 April 2020.

For information as at 14 April 2020, the Company held 2,062,975 ordinary shares in treasury, representing 0.04% of the issued share capital excluding treasury shares. The proposals in resolution 15 are in compliance with the Investment Association (IA) guidance which confirms that an authority to allot up to two thirds of the existing issued share capital continues to be regarded as routine.

Although the Directors have no present intention of exercising this authority, it is considered prudent to maintain the flexibility it provides. 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.

Resolutions 16 and 17:

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 maximum flexibility to respond to market developments and to finance business opportunities in line with the Company's strategy by the issue of ordinary shares without a pre-emptive offer. This can only be done under sections 570 and 573 of the Act where shareholders give the authority to the directors via a limited waiver of their pre-emption rights. The Directors would only use this authority if, at the time to do so would be in the best interests of the Company and its shareholders.

Resolutions 16 and 17 are special resolutions that enable shareholders (as they did at the 2019 annual general meeting) to waive their pre-emption rights otherwise known as the disapplication of pre-emption rights). The authorities requested under resolution 16 and 17 comply with the institutional shareholder guidance, and in particular with the Pre-emption Group's Statement of Principles on Disapplying Pre-emption Rights (Pre-emption Group guidance').

Resolution 16 will permit the Directors to allot new shares, pursuant to the authority given by resolution 15, or to sell treasury shares for cash:

- (i) in connection with a rights issue or pre-emptive issue; and/or
- (ii) otherwise up to a nominal value of £18,017,080, equivalent to approximately 5% of the issued ordinary share capital (excluding treasury shares) of the Company as at 14 April 2020,

in each case without the shares first being offered to existing shareholders in proportion to their existing holdings.

Resolution 17 additionally authorises the Directors to allot new shares pursuant to resolution 15 (or sell treasury shares) for cash, otherwise than in connection with a pre-emptive offer to existing shareholders. Resolution 17 is limited to, the purposes of the financing (or refinancing, if the authority is to be used within six months after the original transaction) of a transaction which the Directors determine to be an acquisition or other specified capital investment of a kind contemplated by the Pre-emption Group guidance. The authority under resolution 17 is limited to a nominal value of £18,017,080, equivalent to approximately 5% of issued ordinary share capital (excluding treasury shares) of the Company in issue on 14 April 2020.

The Directors confirm that, in accordance with the Pre-emption Group guidance, the Company does not intend to issue shares for cash representing more than 7.5% of the Company's issued ordinary share capital (excluding treasury shares) in any rolling three-year period on a non pre-emptive basis, save in accordance with resolution 16 without prior consultation with shareholders.

This authority will expire at the conclusion of the next annual general meeting (or, if earlier, the close of business on 31 July 2021).

As at 14 April 2020 the Company held 2,062,975 shares in treasury. The subsequent sale of any treasury shares (or the use of treasury shares to satisfy obligations under the Company's share schemes) would be counted as equivalent to the issue of new shares for the purpose of the limitations on the issue of new shares included in the allotment resolution and disapplication of pre-emption rights resolutions. For Listing Rule purposes, where treasury shares are sold, this maximum amount is equal to 0.04% of the Company's issued ordinary share capital (including treasury shares) as at 14 April 2020.

Resolution 18:

Authority to purchase own shares

Resolution 18 seeks to renew a similar authority granted by shareholders at the 2019 annual general meeting, its purpose is to authorise the Company to make market purchases of its own ordinary shares as permitted by the Act as there will be certain circumstances where it will be advantageous for the Company to purchase its own shares.

Resolution 18 limits the number of shares that could be purchased to a maximum of 583,753,407 (10% of the Company's issued ordinary share capital (excluding treasury shares)) as at 14 April 2020 and sets the maximum and minimum prices. The Directors will only exercise this authority after considering relevant factors, including whether to do so would result in an increase in earnings per share, be in the best interests of the Company and would benefit shareholders. 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.

Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange. It is the Directors' current intention that any ordinary shares purchased under this authority will be automatically cancelled and the number of ordinary shares will be reduced accordingly or held as treasury shares. Shares purchased by the Company and held in treasury (subject to certain limitations) may subsequently be cancelled, sold for cash or used for the purposes of employee share schemes. To the extent that any ordinary shares purchased are held in treasury, earnings per share would only be increased on a temporary basis until such time as the shares are resold out of treasury.

The total number of options and awards over ordinary shares that were outstanding as at 14 April 2020 was 163,451,582, representing 2.8% of the issued ordinary share capital of the Company excluding treasury shares. If the authority for the Company to purchase shares under resolution 18, and under the resolution passed at the 2019 annual general meeting, are used in full, the outstanding options and awards over ordinary shares would represent 3.49% of the issued ordinary share capital, excluding treasury shares, as at 14 April 2020. This authority will expire at the conclusion of the next annual general meeting (or, if earlier, the close of business on 31 July 2021).

Resolution 19:

Notice of general meetings

The notice period required by the Act for general meetings (other than annual general meetings) is 21 days unless the Company:

- (i) has gained shareholder approval for the holding of general meetings on 14 clear days' notice by passing a special resolution at the most recent annual general meeting; and
- (ii) offers the facility for all shareholders to vote by electronic means. Resolution 19 seeks such approval and replaces a similar authority granted at the 2019 annual general meeting.

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 next annual general meeting.

Important Notes

The following notes explain your general rights as a member, information about this AGM Notice and changes to the AGM as a result of the COVID-19 mandatory social distancing measures which affect your right to attend and vote at the AGM or to appoint someone else to attend and vote on your behalf.

What is my entitlement to vote?

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 Shareholders as at 6.30 pm on Wednesday, 20 May 2020 (or, if the AGM is adjourned, 6.30 pm on the date two working days before the time fixed for the adjourned AGM) shall be entitled to ask questions and vote prior to the meeting in respect of the number of shares registered in their name at that time. In each case, changes to entries on the Register after such time shall be disregarded in determining the rights of any person to vote at the AGM.

Why can shareholders not attend the AGM?

In light of the announcement by the UK Government on 23 March 2020 for further mandatory social distancing measures to be put in place aimed at reducing the transmission of the COVID-19 virus in the UK, every person living in the UK is required to remain at home and public gatherings of more than two people and non-essential travel are prohibited except in specific circumstances (which do not include attending an AGM), therefore it will not be possible to hold the AGM as intended. The health and safety of our shareholders and colleagues is always our utmost priority and as a consequence, the AGM will be held as a closed meeting and shareholders and their proxies will not be able to attend in person. The format of the AGM this year will be purely functional to comply with the relevant legal requirements. Although shareholders will not be able to attend in person this year, shareholders' views remain important to us. Therefore, all shareholders are encouraged to exercise their votes by submitting their proxy forms either electronically or by post. We will provide any further updates in relation to our AGM on our website.

Given the current restrictions on attendance, shareholders are encouraged to appoint the chairman of the meeting to vote on their behalf. This person is called your proxy. Your proxy does not have to be a member, but you must notify the Company's Registrar of your proxy appointment. You can instruct your proxy how to vote. Where no specific instruction is given, your proxy may vote at their discretion or refrain from voting, as he or she sees fit. You can appoint more than one proxy in relation to different shares within your holding.

You can appoint a proxy and submit voting instructions:

- at sharevote.co.uk; or
- via CREST; or
- by completing and returning the paper Proxy/Voting Form if one has been sent to you. Please read the instructions carefully to ensure you have completed and signed the form correctly. Any alterations must be initialled.

Unless you own a share jointly, if you return more than one proxy appointment relating to the same share within your holding, 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. If a paper communication and an online communication are received in the same day, the online communication will be followed.

Where you own shares jointly any one shareholder may sign the Proxy/ Voting Form. If more than one joint holder submits a card, the instruction given by the first listed on the Register of Shareholders register will prevail.

By when do I have to submit my proxy appointment?

The proxy form and, where applicable, the original or duly certified copy (by a notary or in some other way approved by the Directors, or an office 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, no later than 9.00 am on Wednesday, 20 May 2020, or 48 hours (excluding non-working days) before the time for holding any adjourned annual general meeting or (in the case of a poll not taken on the same day as the AGM or adjourned annual general meeting) for the taking of the poll at which it is to be used; or (b) lodged using the CREST proxy voting service.

Please note that if you are returning a Voting Form in respect of shares held in FlexiShare or the Share Incentive Plan this must be received by the Company's Registrar by no later than 9.00 am on Tuesday, 19 May 2020.

I am a CREST member – can I use the CREST system to vote?

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service for the AGM and any adjournment may do so by using the procedures described in the CREST manual available via euroclear.com. 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.

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 and any adjournment(s) thereof, be transmitted so as to be received by the Company's Registrar, Equiniti (ID RA19), no later than 9.00 am on Wednesday, 20 May 2020 or, if the AGM is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned annual general meeting. 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.

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.

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. The submission of any CREST proxy instruction will not prevent you as a shareholder from attending the AGM and voting in person.

I'm a nominated person – how can I vote?

Any person to whom this AGM 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 themselves 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.

The statement of the rights of shareholders in relation to the appointment of proxies set out on page 9 does not apply to Nominated Persons. The rights described in these notes can only be exercised by a member of the Company.

How do I appoint a Corporate Representative?

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, if two or more representatives purport to vote in respect of the same shares:

- (a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and
- (b) in other cases, the power is treated as not exercised.

Where a single corporate member appoints multiple corporate representatives to exercise powers over different shares, those same corporate representatives may vote differently from one another in relation to any particular resolution.

However, please note that given the format of this year's AGM, a person appointed as proxy (other than the chairman of the meeting) or any Corporate Representative will not be admitted to the meeting.

What documents do you have available for inspection?

The following documents are, under normal circumstances, available for inspection during normal business hours at the Company's registered office on any business day (including the day of the meeting):

- (a) copies of Directors' service contracts with the Company
 - (b) copies of Non-Executive Directors' letters of appointment
 - (c) copies of deeds of indemnities granted to each Director
- Should you wish to inspect any of these documents, please submit a request via our website or write to us.

Can I ask a question at the AGM?

Although shareholders will not be able to attend the AGM in person this year, shareholders' views remain important to us. Therefore, we have set up a dedicated facility on our website to allow shareholders to ask questions that they would have raised at the AGM. Questions should be submitted via the website at centrica.com/agm20. All questions will be read and responded to appropriately and where relevant, answers will be published on our website as soon as practicable following the AGM.

When will the AGM voting results be published?

It is expected that the total of the votes cast by shareholders for or against or withheld on each resolution will be announced to the London Stock Exchange and published on centrica.com on Friday, 22 May 2020.

What is the Company's number of issued shares and total voting rights?

As at 14 April 2020 the Company's issued ordinary share capital consists of 5,839,597,044 ordinary shares which, excluding treasury shares, carry one vote each. The total voting rights in the Company as at 14 April 2020 are 5,837,534,069 ordinary shares. This figure excludes 2,062,975 shares held in treasury.

Can a member request the Company to publish statements related to the audit?

Under section 527 of the Act, shareholders 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:

- 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
- any circumstance connected with the Auditors of the Company ceasing to hold office since the previous annual general meeting 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.

Changes since 12 February 2020

Directors' interests in shares

During the period from 12 February 2020 to 14 April 2020, Richard Hookway and Chris O'Shea each acquired 647 shares through the Share Incentive Plan.

Substantial shareholdings

On 17 February 2020, Schroders Investment Management Limited notified the Company that it had increased its investment in the voting rights of the issued share capital to 11.133%. As at 14 April 2020, there were no further changes notified to the Company.

Why is the date 14 April 2020 referred to as a specific date?

Throughout this AGM notice, we have referred to 14 April 2020 as a reference date due to this date being the last practicable date prior to printing this document.

Biographies

Full biographies can be found at centrica.com/board

Scott Wheway

Chairman

Scott has been a Non-Executive Director of Centrica since 2016 and acting Chairman since 12 February 2020. He was appointed Chairman of the Board and the Nominations Committee on 17 March 2020.

Committee Memberships

Nominations Committee
Remuneration Committee

Skills and experience

Scott has a wealth of experience as a senior customer-facing business leader with a mix of deep retail and consumer expertise. He has considerable knowledge gained in both the retail and insurance sectors, together with a strong understanding of operating within highly regulated businesses. Scott worked in retail for 27 years both in the UK and internationally. He is the former chief executive officer of Best Buy Europe (retail services), director of The Boots Company plc, managing director and retail director of Boots the Chemist at Alliance Boots plc and a director of the British Retail Consortium. He formerly held a number of senior executive positions at Tesco plc (retail services), including chief executive of Tesco in Japan, and served as non-executive director of Aviva plc.

External appointments

Chairman of AXA UK plc and senior independent director of Santander Group Holdings PLC.

Reasons for re-election

The Board considers Scott to be well-qualified to be Chairman, with deep knowledge of the Company, strong plc Board experience and in-depth customer facing pedigree. As Chairman of the Remuneration Committee, Scott demonstrated excellent leadership by ensuring the Remuneration Committee exercised informed judgement, a considerable skill that Scott has achieved through his breadth of experience in demanding retail and regulatory career appointments. Scott's wealth of retail knowledge is also instrumental for ensuring the Company continues to meet its purpose, strategy and values.

Chris O'Shea

Group Chief Executive

Chris was appointed Group Chief Financial Officer and joined the Board on 1 November 2018. He was appointed Interim Group Chief Executive on 17 March 2020 and Group Chief Executive on 14 April 2020.

Committee Memberships

Disclosure Committee

Skills and experience

Chris is an experienced listed company chief financial officer with considerable experience of complex, multi-national organisations not only in the energy sector but also in and a number of technology-led engineering and services industries. Prior to joining the Company, Chris was Group Chief Financial Officer of both Smiths Group plc and Vesuvius plc, and a non-executive director of Foseco India Ltd, an Indian-listed supplier to the foundry industry. From 2006 to 2012, Chris held various senior finance roles with BG Group plc, including chief financial officer of Europe and Central Asia, prior to which he held a number of senior roles with Royal Dutch Shell plc in the UK, the US and Nigeria, and with Ernst & Young. Chris studied Accounting and Finance at the University of Glasgow, is a Chartered Accountant, and holds an MBA from the Fuqua School of Management at Duke University.

Reasons for re-election

Chris has been instrumental in his first year as Group Chief Financial Officer. Using his considerable career experience, Chris immediately started to review the Company's financial controls and processes. His deep understanding of finance combined with his involvement in complex multi-national energy and technology led industries provides a vital contribution to the Company's group's transformational plan as well as ensuring the Company continues to meet its purpose, strategy and values. Chris is an experienced PLC director with a strong record of transformation and financial discipline. The Board appointed Chris as Group Chief Executive on 14 April 2020 and is confident that he is the right leader to navigate Centrica through and beyond the present COVID-19 crisis by focusing on the welfare of our colleagues and customers, the financial resilience of the Company and the agility to move quickly when we emerge from these unprecedented circumstances.

Joan Gillman

Non-Executive Director

Joan joined the Board on 11 October 2016 and is the Employee Champion on the Board.

Committee Memberships

Nominations Committee
Remuneration Committee
Safety, Health, Environment, Security and Ethics Committee

Skills and experience

Joan's expertise lies in optimising stakeholder management and shaping growth and transformational strategies to lead and govern high performing teams. She has a consistent track record of thought leadership and growth in new technology. Joan started her career in a Senator's office of the United States Senate. As the internet became a growing force, she has driven growth and transformation across four media and communications companies since 1995. Most recently, Joan served as a former executive vice president of Time Warner Cable, as well as chief operating officer, Time Warner Cable Media and president, Time Warner Cable Media LLC. Joan led one of Time Warner Cable's three operating divisions, doubling revenues and overseeing the company's big data strategy.

External appointments

Director of Airgain, Inc., InterDigital, Inc. and Cumulus Media, Inc.

Reasons for re-election

Joan's commitment to her role as Employee Champion is invaluable particularly as the Group continues with its transformation programme. Throughout the year, Joan has collected insight first hand from employees which provides the Board with essential information to understand, reflect and optimise workforce engagement programmes. In addition, Joan's experience of leading businesses in the US provides an important asset for ensuring the Company continues to meet its purpose, strategy and values.

Stephen Hester

Senior Independent Director

Stephen joined the Board on 1 June 2016 and is the Senior Independent Director and Chairman of the Remuneration Committee.

Committee Memberships

Audit Committee
Nominations Committee
Remuneration Committee

Skills and experience

Stephen has wide-ranging experience, particularly in customer-facing businesses, together with recognised expertise in transforming business performance. He has a deep knowledge of operating within highly regulated businesses and over 35 years' experience in financial services and FTSE 100 companies. Stephen has previously held positions as chief executive officer of Royal Bank of Scotland Group plc, chief executive of British Land plc and chief operating officer of Abbey National plc, as well as a number of senior executive roles at Credit Suisse First Boston in London and New York.

External appointments

Group chief executive of RSA Insurance Group plc.

Reasons for re-election

As the Senior Independent Director, Stephen has a critical role in supporting the Chairman as well as providing oversight to the Chairman's role. Stephen's exceptional career experience ensures this key role is executed to the highest standard. Stephen's recognised expertise in transforming business performance is essential for ensuring the Company continues to meet its purpose, strategy and values.

Richard Hookway

Chief Executive, Centrica Business

Richard was appointed Chief Executive, Centrica Business on 1 December 2018.

Skills and experience

Richard worked in the energy sector for 35 years at BP plc. His last role was serving as group chief operating officer for Global Business Services and IT. Prior to this Richard spent seven years as chief financial officer for BP's Downstream division which includes customer-facing businesses, refining and marketing and the P&L for BP's oil trading activities. He previously held a number of senior commercial roles both in the UK and in North America including head of the Natural Gas Liquids business based in Houston and the Commercial and Industrial Marketing business for Europe. He also held positions in trading, exploration and production, petrochemicals and in group functions.

External appointments

Non-executive director of EDF Energy Nuclear Generation Group Limited (representing the Company).

Reasons for re-election

Richard's global and long standing career with BP in various influential operational roles, is an essential transferable skill that ensures insightful contribution to the Board as well as making him very well qualified to lead Centrica Business. His day to day executive management of Centrica Business is critical to ensuring the Company continues to meet its purpose, strategy and values.

Heidi Mottram

Non-Executive Director

Heidi joined the Board on 1 January 2020.

Committee Memberships

Nominations Committee
Safety, Health, Environment, Security and Ethics Committee

Skills and experience

Heidi brings considerable relevant strategic and operational experience acquired in her current and previous roles. Her deep understanding of the importance of customer service, delivered in complex multi-stakeholder environments with a high public profile, is particularly pertinent to the Company, at this time, as it focuses on the delivery of its customer-centric strategy. Heidi began her career with British Rail in the mid-1980s. She held a number of roles in GNER, before joining Midland Mainline in 1999 as Operations Director. She was Commercial Director for Arriva Trains Northern from January 2004, before becoming Managing Director of Northern Rail Limited, the UK's largest rail franchise.

External appointments

Heidi is chief executive officer of Northumbrian Water Limited and Northumbrian Water Group Limited, vice-chair of the North East Local Enterprise Partnership, and a member of the CBI Board and Vice-Chair of Newcastle University Council.

Reasons for election

The Board is benefitting from Heidi's fresh perspective. Heidi brings considerable strategic and operational experience acquired in her current and previous roles. Heidi's deep understanding of the importance of customer service, delivered in complex multi-stakeholder environments with a high public profile, is particularly pertinent to the Company and such skills are essential to ensure the Company continues to meet its purpose, strategy and values.

Pam Kaur

Non-Executive Director

Pam joined the Board on 1 February 2019.

Committee Memberships

Audit Committee
Nominations Committee
Safety, Health, Environment, Security and Ethics Committee

Skills and experience

Pam has extensive experience in audit, business, compliance, finance and risk management. Pam has previously held various senior roles at global financial institutions, including Citigroup, Lloyds TSB, the Royal Bank of Scotland and Deutsche Bank, and has worked with regulators and supervisory boards across the world. Pam has an MBA in finance and a BCom (Hons) from Panjab University in India and is a qualified chartered accountant.

External appointments

Chief risk officer of HSBC Holdings plc.

Reasons for re-election

Pam's breadth of experience in various roles ensures that the Board, the Audit Committee and the Safety, Health, Environment, Security and Ethics Committee continually considers a balanced view to important factors such as audit, compliance, finance, and risk management. Having this experience on the Board is an important asset for ensuring the Company continues to meet its purpose, strategy and value.

Kevin O'Byrne

Non-Executive Director

Kevin joined the Board on 13 May 2019 and became Chairman of the Audit Committee.

Committee Memberships

Audit Committee
Nominations Committee

Skills and experience

Kevin brings extensive retail and finance experience to the Board, having occupied senior roles in leading UK and international retailers. The Board considers that Kevin has recent and relevant financial experience. Kevin was chief executive officer of Poundland Group plc, executive roles at Kingfisher plc including divisional director UK, China and Turkey, chief executive officer of B&Q UK & Ireland and group finance director of Dixons Retail plc. From 2008 to 2017 he was a non-executive director and chairman of the audit committee of Land Securities Group PLC from 2008 to 2017 where he was also senior independent director from 2012 to 2016.

External appointments

Group chief financial officer for J Sainsbury plc.

Reasons for re-election

In his first year as Chairman of the Audit Committee, Kevin's leadership has brought a new perspective with extensive relevant financial experience. Kevin's experience ensures the Audit Committee continues to oversee the Company's relationship with the external auditor and to review the effectiveness of the Company's internal audit function. Kevin's experience in retail and finance provides crucial independent knowledge that is both diverse and relevant to ensuring the Company continues to meet its purpose, strategy and values.

Sarwjit Sambhi

Chief Executive, Centrica Consumer

Sarwjit was appointed Chief Executive, Centrica Consumer and joined the Board on 1 March 2019.

Skills and experience

Sarwjit joined the Company in 2001 and has held senior leadership positions in retail, strategy, finance, trading, power generation, exploration and production. Prior to joining the Company, Sarwjit worked for the management and technology consulting company, Booz Allen & Hamilton. Most recently, he was Managing Director, UK Home.

External appointments

Director of Energy UK (representing the Company).

Reasons for re-election

Sarwjit's long standing career in the Company's group, provides the Board with invaluable knowledge and deep insight. His day to day executive management of Centrica Consumer is critical to ensuring the Company continues to meet its purpose, strategy and values.



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