centrica

Important information at a glance

Dividend timetable

Final dividend announced	19 February 2015
Record date*	**1 May 2015**
Last day for Programme applications	4:30pm on 4 June 2015
Expected date of postage for cheques/tax vouchers/ share certificates/scrip statements	23 June 2015
Payment date	**25 June 2015**

*The date on which all registered shareholders are eligible to receive the dividend

Join for free today in 2 easy steps

Step 1 — **Complete the enclosed Mandate Form (CREST Holders see FAQ's)**

Step 2 — **Return it in the enclosed pre-paid envelope to Equiniti before 4:30pm (UK time) on 4 June 2015.**

Equiniti can be contacted in the following ways:

Online

Further details can be found at Centrica's Registrar, Equiniti's, website Shareview where you will find useful links and answers to shareholders most common queries.

To find out more go to: **help.shareview.co.uk**

Post

Equiniti
Aspect House,
Spencer Road,
Lancing,
West Sussex
BN99 6DA.

Telephone

0800 032 0876* from the UK or +44 (0) 121 415 0887** from overseas.

Scan me now to apply!

Please see overleaf for our Frequently Asked Questions

*Calls to this number are free from most landlines. Mobiles may vary.

**Call costs may vary. Please check with your service provider.

Lines open (UK time) **5.30pm to 8:00pm**, Monday to Friday, **9:00am to 4:00pm** Saturdays, and **10:00am to 4:00pm** on England and Wales bank holiday Monday 25 May. Lines close on 4 June 2015.

Frequently Asked Questions

What is the Scrip Dividend Programme (the Programme)?

The Programme offers shareholders the opportunity to receive new fully paid ordinary shares in the Company (New Shares) instead of cash dividends.

Why receive shares rather than cash?

The Programme will allow those shareholders who wish to participate the opportunity to increase their shareholding without incurring dealing charges and stamp duty. This is often an attractive option for shareholders who might otherwise receive a cash dividend of relatively small economic value.

The Programme will also give the Company greater flexibility in managing its capital resources as it will be able to retain in the business the cash which would otherwise have been paid to participating shareholders who have elected to receive New Shares.

Who is eligible to join the Programme?

The Programme will be made available to all shareholders entered on the Register, including CREST members, subject to certain restrictions for shareholders resident outside the UK as set out below. The right to elect to join the Programme will not be transferable. Shareholders whose shares are held indirectly, such as through a nominee account, should contact the registered shareholder at the time the Programme is launched to determine if they can participate in the Programme.

Shareholders resident outside the UK

Shareholders who are resident outside the UK will be able to participate in the Programme provided that they do not live in, nor are subject to, the jurisdiction of any country where their participation in the Programme would require the Company to comply with local legal, governmental or regulatory requirements or procedures, or any similar formalities.

Shareholders resident outside the UK will be responsible for ensuring that they may validly participate in the Programme and for observing all relevant local formalities.

How can shareholders join or leave the Programme?

When the Programme is launched the Company will send to shareholders instructions on how to elect to participate. This will include a Mandate Form and full Terms and Conditions, which will also explain how shareholders can leave the Programme.
The full Terms and Conditions will also be made available online at centrica.com/dividends

What will be the deadline for joining the Programme?

When the Programme is launched the Company will set out the full timetable for participation.
In order to be eligible to receive New Shares in respect of a particular dividend under the Programme, shareholders' elections to participate must be received by Equiniti, (or, where applicable, input through CREST) no later than 4:30pm (UK time) on the election date.

The election date will not be more than 15 working days before the payment date for that dividend. Elections to participate in the Programme which are received after the election date deadline for any dividend will only apply to subsequent dividends. In that scenario the shareholder would receive a cash dividend in respect of the immediate dividend.

What will be the deadline for leaving the Programme?

Shareholders may opt out of the Programme at any time following its introduction. For each dividend where the Programme is to apply, the Company will set out a timetable for participation. This will include the latest date and time that shareholders may elect to opt out of the Programme and hence receive cash instead of New Shares. To opt out of the Programme in respect of a particular dividend, notice of the withdrawal must be received by Equiniti (or, where applicable, input through CREST) no later than 4:30pm (UK time) on the election date for that dividend. The election date will not be more than 15 working days before the payment date for that dividend. Elections to opt out of the Programme that are received after the election date deadline for any dividend will only apply to subsequent dividends. Shareholders would receive New Shares in respect of the immediate dividend.

Will former participants in the DRIP automatically be treated as having elected to participate in the Programme?

The DRIP has been cancelled following approval of the Programme at the 2015 AGM.

A new election will need to be made by each shareholder wishing to participate in the Programme.

Those shareholders who have elected to participate in the DRIP and do not wish to participate in the Programme may wish to contact Equiniti to arrange for cash dividends to be paid direct into a nominated bank account (if they haven't done so previously). Otherwise, payments will be made by cheque.

What will happen to residual cash balances held under the DRIP?

DRIP participants who have cash residue entitlements held by the scheme administrator will have their residual cash balances repaid on cancellation of the DRIP.

Where will shareholders find details of the Programme?

All information including the dividend record date, ex-dividend date, scrip reference share price, election date and any further information announced is available online at centrica.com/dividends.

How many New Shares will shareholders receive under the Programme?

The number of New Shares that shareholders will acquire for each dividend will depend on the amount of the cash dividend to which they are entitled to and the scrip reference share price. Only whole shares may be issued and the number of shares that can be acquired will be rounded down to the nearest whole number of New Shares. Once the calculation has been made and shares allocated, any cash left over that is insufficient to acquire one New Share will be held as a residual cash balance (Residual Cash).

Residual Cash will be held until the next scrip dividend and added to the amount of cash available from that dividend.

Shares will be acquired according to the cash available and using the scrip reference share price to determine the value per share allocated. This will be the average of the middle market quotations for ordinary shares on the Daily Official List of the London Stock Exchange on the five consecutive dealing days beginning on, and including, the date on which the ordinary shares are first quoted ex-dividend.

What will happen to any Residual Cash?

Any Residual Cash remaining after the issue of New Shares, or which was insufficient to acquire a whole share, will be carried forward by the Company and included in the calculation for the next dividend entitlement under the Terms and Conditions of the Programme. No interest will accrue.

Further details of the treatment of Residual Cash balances is provided in the Terms and Conditions, available online at centrica.com/dividends

How will shareholders be notified of how many New Shares they have received?

Once the New Shares have been issued, a scrip dividend statement will be sent to the shareholder along with a new share certificate or, if shares are held in FlexiShare, an account statement. The scrip dividend statement will show the number of New Shares issued, the scrip reference share price, and the total cash equivalent of the New Shares for tax purposes.

If the cash dividend entitlement, together with any Residual Cash entitlement brought forward, is insufficient to acquire at least one new share, the statement will explain that no New Shares have been issued and will show how much cash will be carried forward. CREST members will have their accounts credited directly with New Shares on the dividend payment date or as soon as practicable thereafter and will receive a scrip dividend statement as described above.

Will New Shares issued under the Programme be included in the next scrip dividend?

Yes. All New Shares issued under the Programme will automatically increase the shareholding on which the next entitlement to a scrip dividend will be calculated.

What happens if a shareholder buys or sells shares?

The entitlement will be calculated based on the number of shares registered in the shareholder's name at the relevant record date. A shareholder's election will be deemed to be cancelled in relation to any shares that are sold or transferred to another person, but only with effect from the registration of the relevant transfer.

Are there other circumstances in which an election will be deemed cancelled?

Yes. A shareholder's election to participate will be deemed to be cancelled on receipt by Equiniti of proper notice of the shareholder's death, bankruptcy or mental incapacity or, in the case of a corporate shareholder, of such body being placed in liquidation. However, where the shares are held jointly with others, participation in the Programme will continue for that shareholding.

Can shareholders participate in the Programme in respect of part of their holdings?

Shareholders may only elect to participate for the full number of shares registered in their name(s) on the relevant record date, unless permission is given by the Directors to allow the shareholder to elect in respect of a lesser number of shares.

What happens if a shareholder has more than one holding?

If shares are registered in more than one holding, each holding will require a separate Mandate Form.

Can the Company change or cancel the Programme?

Yes. The operation of the Programme is subject to the Directors' decision to offer the Programme in respect of any particular dividend. The Directors may also, after such an offer is made, withdraw the offer generally at any time prior to the issue of New Shares under the Programme.

The Programme may be modified, suspended or terminated at any time at the discretion of the Directors without notice to shareholders individually.

What are the tax consequences of taking part in the Programme?

The precise tax consequences of electing to receive New Shares instead of a cash dividend will depend on shareholders' individual circumstances. A summary of the tax treatment, based on UK legislation and HM Revenue & Customs practice in place at the date that the Programme is introduced, is included in the full Terms and Conditions available online at centrica.com/dividends