

Chairman's AGM Statement

Today would have been my first AGM as Chairman of Centrica plc, having been a member of the Board since May 2016. It was a great honour and privilege for me to have been asked by the Board to take up the role of Chairman. So, I am personally saddened and disappointed that we are unable, this year, to hold the Meeting in the usual way as result of the Covid-19 pandemic which presents challenges for all of us.

Ordinarily, the AGM provides an opportunity for the Board to engage with shareholders in person. However, the health and safety of our shareholders and our colleagues is of utmost importance and that is why, in keeping with regulations from the UK Government, we have taken the decision to hold our AGM as a closed meeting satisfying the legal requirements through the attendance of a minimum number of directors and employees. In order to comply with these regulations, I will not be in attendance at the AGM. I am grateful to Chris O'Shea, Group Chief Executive, who has agreed to chair the Meeting in my absence.

The Board and I remain committed to positive engagement with all shareholders and, whilst we are disappointed not to have the opportunity to meet in person, I know that many shareholders have been able to submit their voting intentions by post or online, and have also been able to use the dedicated facility on our website to ask questions. We will publish answers to questions on our website as soon as practicable following the AGM.

I am acutely aware that the shareholder experience has been painful in recent times and the impacts of Covid-19 have exacerbated this. We have 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. We have identified a range of actions to reduce 2020 cash expenditure to provide flexibility to navigate the crisis. Unfortunately, one of these actions was to cancel the proposed 2019 final dividend, which was to be paid in June. I would like to assure you that the decision to cancel the dividend was not taken lightly; however, the Board concluded it was the prudent thing to do given current uncertainties.

Unsurprisingly, as shareholders and customers have felt the financial impact of Covid-19, executive and management pay has come into sharp focus. While we had already announced that our Executive Directors would receive no bonus payments for 2019, no pay rises during 2020 and that LTIP share awards would lapse, we have also paused bonus payments to all other management, and these will be reviewed when the financial impacts become clearer. Additionally, in recognition of the current situation, Chris O'Shea has taken a voluntary reduction in salary of £100,000. This reduction will continue until the Company resumes normal operations.

I would like to take this opportunity pay tribute to Centrica colleagues who have been working in these extraordinary circumstances to keep our customers warm, safe and supplied with energy. As a Board, we are extremely grateful to them. We are also proud of colleagues who are going above and beyond to help those most in need, whether that's shopping for vulnerable customers, using their skills to make face masks to give to NHS workers, or the 3,000 British Gas engineers who have volunteered to help, through our partnership with the Trussell Trust, to get food to people who need it most. To date, our engineers have delivered the equivalent of two million meals to foodbanks across the UK. We have also donated £1m to Carers UK to help support carers during the Covid-19 crisis and have donated \$600,000 to Direct Energy's 'Neighbor-to-Nighbor' programme in the United States, which provides bill assistance to low income customers in Texas. Through our brands

and across all our markets, we will continue to support our customers, colleagues, communities and suppliers through these challenging times.

Finally, I would like to express my thanks to shareholders for their continued support and understanding. I wish you and your loved ones the best of health at this difficult time, and I look forward to speaking to you face-to-face in happier and more normal circumstances next year.

Scott Wheway
Chairman
22 May 2020