

# centrica

## Centrica plc

(incorporated with limited liability in England and Wales, with registered number 3033654)

Legal Entity Identifier (LEI): E26EDV109X6EEPBKVH76

### £405,000,000 Subordinated Resettable Fixed Rate Notes due 2055

The £405,000,000 Subordinated Resettable Fixed Rate Notes due 2055 (the “Notes”) will be issued by Centrica plc (the “Issuer”) on 21 May 2024 (the “Issue Date”). The Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 21 May 2030 (the “First Reset Date”) at a rate of 6.500 per cent. per annum, payable semi-annually in arrear on 21 May and 21 November in each year, commencing on 21 November 2024. Thereafter, unless previously redeemed, the Notes will bear interest from (and including) the First Reset Date to (but excluding) 21 May 2035, at a rate per annum which shall be 2.512 per cent. above the Benchmark Gilt Rate (as defined in the “Terms and Conditions of the Notes” (the “Conditions”)) for the relevant Reset Period (as defined in the Conditions), payable semi-annually in arrear on 21 May and 21 November in each year. From (and including) 21 May 2035 to (but excluding) 21 May 2050, the Notes will bear interest at a rate per annum which shall be 2.762 per cent. above the Benchmark Gilt Rate for the relevant Reset Period payable semi-annually in arrear on 21 May and 21 November in each year. From (and including) 21 May 2050 to (but excluding) 21 May 2055 (the “Maturity Date”), the Notes will bear interest at a rate per annum which shall be 3.512 per cent. above the Benchmark Gilt Rate for the relevant Reset Period payable semi-annually in arrear on 21 May and 21 November in each year, all as more particularly described in “Terms and Conditions of the Notes—Interest Payments”.

If the Issuer does not elect to redeem the Notes in accordance with Condition 6(g) (*Redemption for Change of Control Event*) thereof following the occurrence of a Change of Control Event (as defined in the Conditions), the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the Conditions) for the Notes shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred, see “Terms and Conditions of the Notes—Interest Payments—Step-up after Change of Control Event”.

The Issuer may, at its discretion, elect to defer all or part of any payment of interest on the Notes as more particularly described in “Terms and Conditions of the Notes—Optional Interest Deferral”. Any amounts so deferred, together with further accrued and unpaid interest thereon (at the interest rate per annum prevailing from time to time), shall constitute Arrears of Interest in accordance with the Conditions. Notwithstanding this, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date (as defined in the Conditions) following the Interest Payment Date on which a Deferred Interest Payment (as defined in the Conditions) arose, all as more particularly described in “Terms and Conditions of the Notes—Optional Interest Deferral—Mandatory Settlement”.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount, on the Maturity Date, together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest. The Notes shall be redeemable (at the option of the Issuer) in whole but not in part on any date from (and including) 21 February 2030 to (and including) the First Reset Date or any Interest Payment Date (as defined in the Conditions) thereafter (each a “Par Call Date”), at the principal amount of the Notes, together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest. The Notes are also redeemable (at the option of the Issuer) in whole but not in part on any date other than a Par Call Date at the make-whole amount described in Condition 6(c) (*Issuer’s Call Option (Make-whole Option)*). In addition, upon the occurrence of an Accounting Event, a Rating Methodology Event, a Change of Control Event, a Substantial Repurchase Event, a Tax Deductibility Event or a Withholding Tax Event (each such term as defined in the Conditions), the Notes shall be redeemable (at the option of the Issuer) in whole but not in part at the prices set out, and as more particularly described, in “Terms and Conditions of the Notes—Redemption”.

The Issuer may, upon the occurrence of an Accounting Event, a Rating Methodology Event, a Tax Deductibility Event or a Withholding Tax Event, at any time, without the consent of the holders of the Notes, either (i) substitute all, but not some only, of such Notes for, or (ii) vary the terms of such Notes with the effect that they remain or become, as the case may be, Qualifying Notes, in each case in accordance with Condition 7 (*Substitution or Variation*) thereof and subject to the receipt by the Trustee of the certificate of the authorised signatories of the Issuer referred to in Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) thereof.

The Notes will be unsecured notes of the Issuer and will constitute subordinated obligations of the Issuer, all as more particularly described in “Terms and Conditions of the Notes—Status” and “Terms and Conditions of the Notes—Subordination”.

Payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of the United Kingdom (“UK”), unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer, subject to certain exceptions as are more fully described in “*Terms and Conditions of the Notes—Taxation*”.

This Prospectus has been approved as a prospectus by the Financial Conduct Authority (the “FCA”), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “UK Prospectus Regulation”). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Approval by the FCA should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA for the Notes to be admitted to the official list of the FCA (the “Official List”) and to the London Stock Exchange plc (the “London Stock Exchange”) for the Notes to be admitted to trading on the London Stock Exchange’s main market (the “Market”). References in this Prospectus to Notes being “listed” (and all related references) shall mean that the Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law in the UK by virtue of the EUWA (“UK MiFIR”).

This Prospectus (as supplemented as at the relevant time, if applicable) is valid for the admission to trading of the Notes on the Market until the time when trading on the Market begins. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply once the Notes are admitted to trading on the Market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (as amended) (the “Securities Act”) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see “*Subscription and Sale*”).

The Notes will initially be represented by a temporary global note (the “Temporary Global Note”), without interest coupons or talons, which will be deposited with a common depositary on behalf of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”) on or about the Issue Date. The Temporary Global Note will be exchangeable for interests in a permanent global note (the “Permanent Global Note” and, together with the Temporary Global Note, the “Global Notes”), without interest coupons or talons, on or after a date which is expected to be 30 June 2024, upon certification as to non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable for definitive Notes in bearer form in the denominations of £100,000 and integral multiples of £1,000 in excess thereof, up to and including £199,000, in the limited circumstances set out in “*Summary of Provisions relating to the Notes while in Global Form*”. No definitive Notes will be issued with a denomination above £199,000.

The Issuer has been rated Baa2 (stable) by Moody’s Investors Service Limited (“Moody’s”) and BBB (stable) by S&P Global Ratings UK Limited (“S&P”) (each, a “Rating Agency”). The Notes are expected to be rated Baa3<sup>1</sup> by Moody’s and BB+<sup>2</sup> by S&P. Each of Moody’s and S&P is established in the UK and is registered under Regulation (EC) No. 1060/2009 (as amended) as it forms part of the domestic law in the UK by virtue of the EUWA (the “UK CRA Regulation”). Neither Moody’s nor S&P is established in the European Union (the “EU”) and they have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “EU CRA Regulation”). The ratings issued by Moody’s and S&P have been endorsed by Moody’s Deutschland GmbH and S&P Global Ratings Europe Limited, respectively. Each of Moody’s Deutschland GmbH and S&P Global Ratings Europe Limited is established in the EU and registered under the EU CRA Regulation. As such, each of Moody’s Deutschland GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority (the “ESMA”) on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the EU CRA Regulation. A rating is not a recommendation to buy, sell or hold notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Investing in the Notes involves a high degree of risk. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus.**

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<sup>1</sup> Obligations rated Baa by Moody’s are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. The modifier 3 indicates a lower-range ranking.

<sup>2</sup> Obligations rated BB+ by S&P are speculative grade but are less vulnerable to non-payment than other speculative grade issues. However, if it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions that could lead to the obligor’s inadequate capacity to meet its financial commitments on the obligation. The modifier + indicates a higher-range ranking within the rating category.

*Structuring Agent to the Issuer*

**J.P. Morgan**

*Active Bookrunners*

**Barclays**

**J.P. Morgan**

**NatWest Markets**

**Société Générale  
Corporate &  
Investment Banking**

*Passive Bookrunners*

**Goldman Sachs International**

**UBS Investment Bank**

## IMPORTANT INFORMATION

This Prospectus comprises a prospectus for the purpose of Article 6 of the UK Prospectus Regulation.

This Prospectus has been prepared for the purpose of giving information with regard to (i) the Issuer, (ii) the Issuer and its subsidiaries and affiliates taken as a whole (the “**Group**”) and (iii) the Notes, which according to the particular nature of the Issuer, the Group and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, of the rights attaching to the Notes, and of the reasons for the issuance and its impact on the Issuer. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”). Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Bookrunners (as defined in “*Subscription and Sale*” below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Bookrunners to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Notes and distribution of this Prospectus, see “*Subscription and Sale*” below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Trustee or the Bookrunners. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Bookrunners and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The ratings definitions of S&P and Moody’s referred to above have been extracted from <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352> and <https://Ratings.Moodys.com/rating-definitions>. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by S&P and Moody’s, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the fullest extent permitted by law, the Bookrunners and the Trustee accept no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by a Bookrunner or the Trustee or, in either case, on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Bookrunner and the Trustee accordingly disclaim all and any liability whether arising in tort or contract or

otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. The Bookrunners and the Trustee have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Bookrunners and the Trustee, or either of them, as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Bookrunners or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Bookrunners or the Trustee to any person to subscribe for or to purchase any Notes.

None of the Bookrunners or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) (the “**PRiIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRiIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the UK by virtue of the EUWA (the “**UK PRiIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRiIPs Regulation.

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market

assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

### SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of the relevant financial markets and of any financial variable which might have an impact on the return on the Notes; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased by potential investors as a way to enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise specified or the context requires, references in this Prospectus to “£”, “sterling” or “Sterling” are to the lawful currency of the UK.

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

References herein to “**consolidated**”, in relation to the Issuer, shall, if the Issuer prepares both consolidated accounts and non-consolidated accounts in accordance with UK-adopted International Accounting Standards be construed as references to “consolidated and non-consolidated”.

References herein to a “**Condition**” shall be to the Terms and Conditions of the Notes.

### STABILISATION

**IN CONNECTION WITH THE ISSUE OF THE NOTES, J.P. MORGAN SECURITIES PLC AS STABILISATION MANAGER (THE “STABILISATION MANAGER”) (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE AND 60 DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES. ANY STABILISING ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as “*anticipate*”, “*believe*”, “*could*”, “*estimate*”, “*expect*”, “*intend*”, “*may*”, “*plan*”, “*predict*”, “*project*”, “*will*” and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Group’s business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Group’s financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Group’s business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: “*Overview*”, “*Risk Factors*” and “*The Issuer*”. These sections include more detailed descriptions of factors that might have an impact on the Group’s business and the markets in which it operates. In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur.

In addition, none of the Issuer or the Bookrunners assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.



## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following information, which has been previously published and which has been filed with the Financial Conduct Authority:

- (i) the auditors' report and audited consolidated and non-consolidated annual financial statements of the Issuer for the financial year ended 31 December 2023 which appear on pages 114 to 240 (together with the section titled "*Additional Information – Explanatory Notes (Unaudited)*" on pages 244 to 248) of the annual report for the year ended 31 December 2023 (the "**2023 Annual Report and Accounts**"), including the information set out at the following pages, in particular:

Independent Auditors' Report	Pages 114 to 126
Group Income Statement	Page 127
Group Statement of Comprehensive Income	Page 128
Group Statement of Changes in Equity	Page 129
Group Balance Sheet	Page 130
Group Cash Flow Statement	Page 131
Notes to the Financial Statements	Pages 132 to 228
Company Statement of Changes in Equity	Page 229
Company Balance Sheet	Page 230
Notes to the Company Financial Statements	Pages 231 to 240
Additional Information – Explanatory Notes (Unaudited)	Pages 244 to 248

- (ii) the auditors' report and audited consolidated and non-consolidated annual financial statements of the Issuer for the financial year ended 31 December 2022 which appear on pages 108 to 236 (together with the section titled "*Additional Information – Explanatory Notes (Unaudited)*" on pages 253 to 257) of the annual report for the year ended 31 December 2022 (the "**2022 Annual Report and Accounts**"), including the information set out at the following pages, in particular:

Independent Auditors' Report	Pages 108 to 120
Group Income Statement	Page 121
Group Statement of Comprehensive Income	Page 122
Group Statement of Changes in Equity	Page 123
Group Balance Sheet	Page 124
Group Cash Flow Statement	Page 125
Notes to the Financial Statements	Pages 126 to 224
Company Statement of Changes in Equity	Page 225
Company Balance Sheet	Page 226
Notes to the Company Financial Statements	Pages 227 to 236
Additional Information – Explanatory Notes (Unaudited)	Pages 253 to 257

Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Where only certain parts of the documents referred to above are incorporated by reference in this Prospectus, the parts of the document which are not incorporated by reference are either not relevant for the prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) on the website of the Issuer at <https://www.centrica.com/investors/debt-investors/>.

### **Alternative Performance Measures**

Certain alternative performance measures (“APMs”) are included or referred to in this Prospectus (including the 2023 Annual Report and Accounts and the 2022 Annual Report and Accounts incorporated by reference). APMs are non-GAAP measures used by the Group within its financial publications to supplement disclosures prepared in accordance with other regulations such as International Financial Reporting Standards (“IFRS”). APMs are not defined terms under IFRS or other accounting standards and may not be comparable with similarly titled measures reported by other companies.

The Issuer considers that these measures provide useful information to enhance the understanding of financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. An explanation of each such metric’s components and calculation method can be found at pages 244 to 248 (incorporated by reference herein) of the 2023 Annual Report and Accounts and pages 253 to 257 (incorporated by reference herein) of the 2022 Annual Report and Accounts.

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## OVERVIEW OF THE NOTES

The following overview refers to certain provisions of the “*Terms and Conditions of the Notes*” and is qualified by the more detailed information contained elsewhere in this Prospectus. Capitalised terms used herein have the meaning given to them in “*Terms and Conditions of the Notes*”.

<b>Issuer:</b>	Centrica plc
<b>Trustee:</b>	The Law Debenture Trust Corporation p.l.c.
<b>Principal Paying Agent:</b>	Citibank, N.A., London Branch
<b>Paying Agent</b>	Citibank Europe plc
<b>Issue Size:</b>	£405,000,000
<b>Issue Date:</b>	21 May 2024
<b>Maturity:</b>	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 21 May 2055 (the “ <b>Maturity Date</b> ”), together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest.
<b>Interest:</b>	The Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 21 May 2030 (the “ <b>First Reset Date</b> ”) at a rate of 6.500 per cent. per annum, payable semi-annually in arrear on 21 May and 21 November in each year, commencing on 21 November 2024. Thereafter, unless previously redeemed, the Notes will bear interest from (and including) the First Reset Date to (but excluding) 21 May 2035, at a rate per annum which shall be 2.512 per cent. above the Benchmark Gilt Rate (as defined in the “ <i>Terms and Conditions of the Notes</i> ” (the “ <b>Conditions</b> ”)) for the relevant Reset Period (as defined in the Conditions), payable semi-annually in arrear on 21 May and 21 November in each year. From (and including) 21 May 2035 to (but excluding) 21 May 2050, the Notes will bear interest at a rate per annum which shall be 2.762 per cent. above the Benchmark Gilt Rate for the relevant Reset Period payable semi-annually in arrear on 21 May and 21 November in each year in each year. From (and including) 21 May 2050 to (but excluding) 21 May 2055 (the “ <b>Maturity Date</b> ”), the Notes will bear interest at a rate per annum which shall be 3.512 per cent. above the Benchmark Gilt Rate for the relevant Reset Period payable semi-annually in arrear on 21 May and 21 November in each year, all as more particularly described in “ <i>Terms and Conditions of the Notes —Interest Payments</i> ”.
<b>Issue Price:</b>	100 per cent.
<b>Status:</b>	The Notes and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank <i>pari passu</i> and without any preference among themselves.

**Subordination:**

The rights and claims of the Holders and the Couponholders will be subordinated to the claims of holders of all Senior Obligations in that if at any time an order is made, or an effective resolution is passed, for the winding-up of the Issuer (otherwise than for the purposes of a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a “successor in business” (as defined in the Trust Deed) of the Issuer, the terms of which reorganisation, reconstruction, amalgamation or substitution (x) have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with the Conditions) or an administrator of the Issuer is appointed and such administrator gives notice that it intends to declare and distribute a dividend, the rights and claims of the Holders and the Couponholders will be subordinated in accordance with Condition 3 (*Subordination*) thereof. Accordingly, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration proceedings before the Holders may expect to obtain any recovery in respect of their Notes and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration proceedings. See “*Risk Factors—Risks related to the Notes generally—Enforcement and limited remedies*”.

**Optional Interest Deferral:**

The Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a “**Deferred Interest Payment**”) which is otherwise scheduled to be paid on an Interest Payment Date by giving a notice of such election to the Holders, the Trustee and the Principal Paying Agent. Subject as described in “*Mandatory Settlement*”, if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the Interest Payment Date and any such non-payment of interest will not constitute an Event of Default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Arrears of Interest may be satisfied at the option of the Issuer in whole or in part at any time (the “**Optional Deferred Interest Settlement Date**”) following delivery of a notice to such effect given by the Issuer to the Holders, the Trustee and the Principal Paying Agent informing them of its election to so satisfy such Arrears of Interest (or part thereof) and specifying the Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment (or part thereof) shall itself bear interest (such further interest together with the Deferred Interest Payment, being “**Arrears of Interest**”), at the Interest Rate prevailing from time to time, from (and including) the date on

which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 5(b) (*Mandatory Settlement*) of the Notes, in each case such further interest being compounded on each Interest Payment Date. Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Notes or for any other purpose, unless such payment is required in accordance with Condition 5(b) (*Mandatory Settlement*) of the Notes.

**Mandatory Settlement:**

Notwithstanding the above and the provisions of “*Optional Interest Deferral*”, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose. A Mandatory Settlement Date means the earliest of:

- (a) the 10<sup>th</sup> Business Day following the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- (b) the next scheduled Interest Payment Date on which the Issuer pays interest on the Notes;
- (c) the date on which the Notes are redeemed or repaid in accordance with Condition 3 (*Subordination*), Condition 6 (*Redemption*) or Condition 11 (*Event of Default*); and
- (d) the date which is five years from the earliest Interest Payment Date on which any Deferred Interest Payment forming part of the outstanding Arrears of Interest was (but for the operation of Condition 5(a)) scheduled to be paid.

**Redemption:**

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on 21 May 2055 (the “**Maturity Date**”) together with any accrued and unpaid interest up to (but excluding) the Maturity Date and any outstanding Arrears of Interest.

**Optional Redemption:**

The Issuer may redeem all, but not some only, of the Notes on any date from (and including) 21 February 2030 to (and including) the First Reset Date or any Interest Payment Date thereafter (each a “**Par Call Date**”), at the principal amount of the Notes, together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest. The Issuer may redeem all, but not some only, of the Notes on any date other than a Par Call Date at the make-whole

amount described in Condition 6(c) (*Issuer's Call Option (Make-whole Option)*).

**Special Event Redemption:**

If a Special Event has occurred and is continuing, then the Issuer may redeem at any time all, but not some only, of the Notes at:

- (i) in the case of an Accounting Event, a Rating Methodology Event or Tax Deductibility Event where such redemption occurs prior to 21 February 2030, 101 per cent. of their principal amount;
- (ii) in the case of an Accounting Event, a Rating Methodology Event or Tax Deductibility Event where such redemption occurs on or after 21 February 2030, their principal amount; or
- (iii) in the case of a Substantial Repurchase Event or a Withholding Tax Event where any such redemption occurs at any time, their principal amount,

in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

**Change of Control:**

If a Change of Control Event has occurred and is continuing, the Issuer may elect to redeem all, but not some only, of the Notes at any time at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

If the Issuer does not elect to redeem the Notes following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate, on the Notes shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred. See "*Terms and Conditions of the Notes—Interest Payments—Step-up after Change of Control Event*".

**Substitution or Variation instead of Special Event Redemption:**

If an Accounting Event, a Rating Methodology Event, a Tax Deductibility Event or a Withholding Tax Event has occurred and is continuing, without the consent of the Holders of the Notes the Issuer may either (i) substitute all, but not some only, of the Notes for, or (ii) vary the terms of the Notes with the effect that they remain or become, as the case may be, Qualifying Notes, in each case in accordance with Condition 7 (*Substitution or Variation*) thereof and subject, *inter alia*, to the receipt by the Trustee of the certificate of the authorised signatories of the Issuer referred to in Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) thereof.

**Event of Default:**

If a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, and which is due, then the Issuer shall

without notice from the Trustee be deemed to be in default under the Trust Deed, the Notes and the Coupons and the Trustee at its sole discretion may, or shall, if so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Notes then outstanding, subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment and give notice to the Issuer that the Notes are, and they shall immediately thereby become, due and payable at their principal amount together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest.

**Additional Amounts:**

Payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of the UK, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer, subject to certain exceptions as are more fully described under “*Terms and Conditions of the Notes—Taxation*”.

**Replacement Intention:**

The Issuer intends (without thereby assuming a legal obligation) at any time that it will redeem or repurchase the Notes, it will so redeem or repurchase the Notes only to the extent that the aggregate principal amount of the Notes to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P at the time of sale or issuance, an aggregate equity credit that is equal to or greater than the equity credit assigned to the Notes to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes), unless:

- (i) the credit rating or the stand-alone credit profile assigned by S&P to the Issuer is at least the same as or higher than the credit rating or stand-alone credit profile assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancing without net new issue) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or
- (ii) in the case of a repurchase or redemption, taken together with relevant repurchases or redemptions



of hybrid securities issued directly or indirectly by the Issuer, such repurchase or redemption is less than (x) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 10 consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile; or

- (iii) the Notes are not assigned an equity credit at the time of such redemption or repurchase; or
- (iv) the Notes are redeemed pursuant to a Tax Deductibility Event, a Withholding Tax Event, an Accounting Event, a Rating Methodology Event or a Change of Control Event; or
- (v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology; or
- (vi) such repurchase or redemption occurs on or after 21 May 2050.

**Form:**

The Notes will be in bearer form and will initially be represented by the Temporary Global Note, without interest coupons or talons, which will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. The Temporary Global Note will be exchangeable for interests in the Permanent Global Note, without interest coupons or talons, on or after a date which is expected to be 30 June 2024, upon certification as to non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable for definitive Notes in bearer form in the denominations of £100,000 and integral multiples of £1,000 in excess thereof, up to and including £199,000, in each case in the limited circumstances set out in "*Summary of Provisions relating to the Notes while in Global Form*". No definitive Notes will be issued with a denomination above £199,000.

**Denominations:**

£100,000 and integral multiples of £1,000 in excess thereof, up to and including £199,000.

<b>Listing and Admission to Trading:</b>	Application has been made to the FCA for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the Market.
<b>Governing Law:</b>	English law.
<b>Ratings:</b>	The Notes are expected to be rated BB+ by S&P and Baa3 by Moody's. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. As of the date of this Prospectus, each Rating Agency is a credit rating agency established in the UK and is registered under the UK CRA Regulation.
<b>Use of Proceeds:</b>	The net proceeds of the issue of the Notes will be applied by the Issuer for general corporate purposes.
<b>Selling Restrictions:</b>	The United States, the UK, the EEA, Singapore, the Republic of Italy and Canada. See " <i>Subscription and Sale</i> ".
<b>United States Selling Restrictions:</b>	Regulation S, Category 2, TEFRA D
<b>Risk Factors:</b>	Prospective investors should carefully consider the information set out in " <i>Risk Factors</i> " in conjunction with the other information contained or incorporated by reference in this Prospectus.
<b>ISIN:</b>	XS2815887372
<b>Common Code:</b>	281588737

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Capitalised terms used herein have the meaning given to them in “Terms and Conditions of the Notes”.*

### **FACTORS THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THE NOTES**

#### **RISKS RELATED TO THE ISSUER’S FINANCIAL SITUATION**

##### ***The Group is exposed to financial loss due to volatility in commodity prices***

The Group’s financial performance is sensitive to the Group’s ability to manage exposure to volatile world energy markets, including wholesale commodity prices for natural gas, crude oil, oil products, carbon, power and liquefied natural gas (“LNG”). Although the Group routinely enters into long-term contracts to protect its commercial position, significant price changes could have a material adverse effect on its operations and/or financial position.

In the energy supply business, changes in commodity prices may require the Group to adjust prices for its energy and gas sales to customers, and to also consider the impact of any applicable contractual position, regulations or caps (please see “*Political, legal or regulatory intervention may have a negative impact on the Group’s business and financial performance*” for further information). The volatility in commodity prices, which is compounded by unstable demand due to changing weather conditions (please see “*The Group’s business may be affected by changes in weather conditions*” for further information) may expose the Group to financial losses. In particular, the Group may need to unwind forward hedges it has put in place at a loss or purchase additional volumes at a price above cap index, thereby potentially resulting in lower profitability. Failure to adjust prices may cause customers to switch to competitors (please see “*The Group operates in competitive markets*” for further information).

In the Centrica Business Solutions (“CBS”) business, returns on direct asset investments are also linked to capacity and power ancillary services markets; a reduction in the value of these “flexibility markets” could impact revenues, margins, and growth rates.

Commodity exposure also arises within the Centrica Energy (“CE”) business which provides risk management services and wholesale market access for the Group’s upstream, storage and power generation operations. The CE business also sources electricity and gas for the Group’s energy supply businesses (for example British Gas Energy), provides energy risk management and optimisation services for renewable asset owners, and conducts physical and financial trading activities for energy commodities such as gas, power and LNG. CE’s portfolio is subject to volatility in commodity prices. For instance, the Group’s contract with Sabine Pass Liquefaction LLC for LNG is indexed to the gas prices in the U.S., generating commodity and foreign exchange exposure for any onward sale not indexed to Henry Hub Natural Gas futures and options in U.S. dollars.

Commodity price movements can materially affect profit and loss through the impact on both revenue from asset production sales and the valuation of the long-term asset portfolio valuation. Earnings of asset-based businesses, such as upstream and CBS, may be impacted by commodity price fluctuations and outage risk. Commodity price fluctuations may have a negative impact on the business if the expected output has been sold in advance at a certain price and then needs to be bought back at a different price when there is an outage. Adverse market conditions may also require increased margin cash requirements, potentially resulting in financial losses.

Commodity prices fluctuate based on many factors, most notably supply and demand in local and global markets as well as operational, technological, political (such as the Russia/Ukraine crisis and the conflict in Gaza), social and economic factors, and actions by major commodity-producing countries. Seasonal variations and, in the short-to-medium term, uncertainty of the economic conditions, make it difficult to forecast future energy demand. Prices of commodities can move independently from each other for long periods. Political factors may also trigger an expectation of or actual disruptions in supplies from those regions affected, which may lead to severe price movements or to changes to the correlations of commodity prices.

The external commodity price environment could also impact the Group's longer-term strategy, future dividend payments, and increase the likelihood of the Group's projects and assets being subject to cancellation, postponement or divestment.

***The Group's business may be affected by changes in weather conditions***

Gas and electricity sales volumes are affected by deviations from normal weather patterns and other environmental factors, which are beyond the Group's control, and which may have an adverse impact on the Group's business, results of operations and overall financial condition.

The demand for power, gas and services is seasonal and weather-dependent. In the UK, higher demand is typically experienced during the cold weather months of October to March and lower demand is typically experienced during the warm weather months of April to September. Gas demand is particularly sensitive to weather conditions. The Group's profitability partly depends on its ability to manage its exposure to unseasonably warm or cold weather and to mitigate the impact of such fluctuations through adjustments to its tariffs. However, unpredictable volatility in weather patterns may make it challenging for the Group to adjust for fluctuations in pricing and demand, which could negatively affect its revenues and results of operations. In addition, the impact is compounded by the Office of Gas and Electricity Markets ("Ofgem") price cap, which limits the Group's recovery for unseen demand (that is, the difference between the expected demand under normal weather conditions and the actual demand based on actual weather conditions). The Group's downstream business is exposed to revenue loss during periods of warm weather when demand is lower, with hedges potentially being sold at a loss. During periods of cold weather, if commodity prices significantly exceed price cap allowances, the Group's downstream supply may be made at a cost higher than that which can be recharged to customers.

***Liquidity risk, including risk relating to margin obligations as a result of existing contracts, is inherent in the Group's operations***

The Group is subject to risks associated with commodity prices that may fluctuate and become more volatile, leading to possible increases in margin cash requirements. In response to the elevated and more volatile commodity prices observed in 2022 (please see "*The Group is exposed to financial loss due to volatility in commodity prices*" above), the Group established enhanced processes to plan for and manage these risks in the trading business and in respect of the Group's operations. Despite these efforts, the Group may not be able to fully anticipate or mitigate the adverse effects of unforeseen market conditions, which could adversely affect its financial performance, liquidity, and ability to meet its margin cash requirements.

The Group is subject to counterparty credit risk, when entering into third party agreements, with the Group's counterparties themselves being exposed to fluctuating commodity prices. During periods when Centrica is a net purchaser, credit risk exposures increase with commodity prices, and conversely, falling commodity prices increase credit risk when Centrica is a net seller. Credit risk can be reduced by agreeing to post collateral or transact on exchanges, however this can increase liquidity risk. Collateral can be required in times of price volatility depending on which markets the Group uses for hedging and for physical supply of commodities. Cash forecasts identifying liquidity requirements are produced regularly and these are assessed for different scenarios, including the impact of significant changes in commodity prices. However, the Group's ability to access liquidity during periods of liquidity stress may be constrained as a result of current and future economic and market conditions. A reduction of the Group's liquidity could have a material adverse effect on its business, results of operations and overall financial condition.

***A downgrade in the Group's credit rating may increase its costs of funding and limit its ability to trade in commodity markets***

The Group benefits from its strong credit rating (long-term debt: Baa2 stable outlook (Moody's), BBB stable outlook (S&P)); (short-term debt: P-2 stable outlook (Moody's), A-2 stable outlook (S&P)). Any deterioration in the Group's credit ratings may reduce the Group's funding options, increase the Group's costs of borrowings, trigger additional obligations under certain bilateral provisions in some trading, derivative or collateralised financing contacts or otherwise affect its ability to obtain credit from counterparties. In particular, the Group may need to increase its levels of margin or other security in its wholesale commodity contracts or face limits on its ability to trade in commodity markets and to implement its hedging strategies. Any of these factors could have a material adverse effect on the Group's business, results of operations and overall financial condition. Although the Group's exchange margin does not directly influence its credit rating, the level of margin financing may be influenced as the Group's bilateral margin thresholds may reduce if the credit rating deteriorates. As a result, the Group's access to the amount of uncollateralised credit lines may reduce, which could force the Group to use letters of credit or other liquid securities instead.

***The Group uses derivatives and hedging arrangements in the conduct of its business, which exposes it to further regulatory and financial risk***

Hedging transactions could, for a variety of reasons, result in substantial losses for the Group. The standalone value of hedge positions can change significantly, potentially increasing the volatility of cash required for margin calls and the accounting profit recognised within a particular period. In addition, losses may arise in any circumstance in which a counterparty does not perform its obligations, the arrangement is imperfect, or the Group's internal hedging policies and procedures are not followed or do not work as planned. As a result of these factors, the Group's hedging activities may not be as effective as intended in reducing the volatility of its cash flows and earnings. Any such losses or increases in volatility could materially and adversely affect the Group's liquidity and financial position.

The Group uses derivatives and other financial instruments in the ordinary course of its business as part of its wider risk management programme. As a result, the Group is subject to additional regulatory regimes covering the execution of derivatives and other similar financial instruments in the UK, US, and/or the EU.

The Group has funding risks relating to its defined benefit pension schemes.

The Group maintains a variety of pension schemes, including defined benefit schemes which are open to the future accrual of benefits.

The aim of the Group and the Centrica pension scheme trustees (the "**Pension Scheme Trustees**"), as set out in each scheme's Statement of Funding Principles, is for each scheme to have sufficient assets to cover its liabilities. The associated risks therefore primarily relate to interest rates, inflation, returns on assets and the longevity of scheme members; the mismatch between asset and liability value movements is a consequence of

targeting higher returns than those available from assets effectively matching the liabilities. The defined benefit schemes' investment portfolios contain a high proportion of assets that are expected to provide a better return in the long term than alternative investments such as government bonds; however, in the short term, the difference between the value of liabilities and assets may vary, potentially resulting in a deficit having to be recognised on the Group's balance sheet, alongside an increase in the profit and loss expense and the funding requirements (cash and possibly contingent assets). The current economic environment, with changing long-term interest and inflation rates, long-term gilt yields, corporate bond yields and credit spreads could also potentially result in a deficit having to be recognised, although the investments of the schemes include liability matching assets to hedge against interest rates and inflation risk.

The pensions schemes use Liability Driven Investments (“LDIs”) to support the hedging of movements in long-term interest and inflation rates. These LDIs include derivative instruments supported by collateral requirements. If there is a significant volatility in real gilt yields (as was seen in the second half of the year 2022), then there is a risk that the schemes could have insufficient liquid assets to support additional collateral calls and the levels of hedging may need to be reduced as a result.

Furthermore, a faster than expected increase in life expectancy and/or employee pensionable salaries increasing above the rates assumed in the previous scheme valuation could be expected to increase the defined benefit liabilities, although members' pension benefits have been changed in recent years to mitigate some of this risk, in particular in relation to pensionable salaries. Changes in the accounting standards relating to defined benefit pension liabilities could also lead to increasing deficits arising in the Group's pension schemes. Pension schemes in the UK are subject to triennial actuarial valuations, the latest valuation date being 31 March 2024. If these valuations identify that the pension schemes are in deficit, this could, subject to agreement between the Company and the Pension Scheme Trustees, result in additional deficit repair contributions being required, further changes to members' benefits and/or the Group offering more contingent assets or asset backed contributions as additional security. Any further requirement to make significant immediate cash contributions into one or more of the Group's defined benefit schemes to cover any such deficits could have a material adverse effect on the Group's business, results of operations, and overall financial condition.

Expected changes to the UK pensions legislation in relation to strategy for pension scheme investment and funding could increase contributions required to the Group's UK pension schemes. These changes are currently expected to apply to pension scheme valuations with an effective date after 22 September 2024.

Corporate activity by the Group which has a detrimental effect on the covenant supporting the Group's UK pension schemes may result in the Pension Scheme Trustees and/or the UK Pensions Regulator seeking additional funding to the Group's pension schemes to address requirements under UK pensions legislation. This could have an adverse effect on the Group's business, financial flexibility, results of operations and overall financial condition.

***The Group's business may be affected by the default of counterparties in respect of monies owed to the Group***  
In the ordinary course of its operations, the Group often has significant amounts owed to it by its counterparties. In addition, the Group often holds large cash balances on deposit with financial institutions. There is a risk of a counterparty default, which may, among other things, reduce the Group's cash flows. The Group's policy to limit counterparty exposures by setting credit limits for each counterparty, where possible by reference to published credit ratings, cannot eliminate such exposure or absolutely mitigate such risk, and such a counterparty default may have a material adverse effect on the Group's business, results of operations and overall financial condition.

The Group may also, from time to time, be owed amounts by its retail and wholesale customers. In the 12 months ending 31 December 2023, leading debt indicators (including the number of customers accruing debt, insolvency volumes among business customers and direct debt cancellation rates among domestic customers)

deteriorated, and overall billed debt levels increased significantly. The Group's provision for bad debt increased accordingly, primarily caused by the declining levels of cash collection performance. This has resulted in decreased recovery rates and increased provision rates for customers in the Group's downstream operations. Within this portfolio, the continued deterioration seen in the payment on receipt of bill collections performance, coupled with a change in the mix of debt within the portfolio, has particularly driven the increase in the Group's bad debt provision.

In addition, the cost of living crisis is ongoing and energy bills remain high by historic standards. Consequently, collection performance in relation to customers who pay on receipt of bill has declined steadily, with some customers unable to pay their energy bills. Although recent indicators suggest that inflation has started to fall, it could remain elevated due to underlying pressures. As a result, the Group is exposed to elevated levels of bad debt as some customers struggle to pay their bills.

A significant number of defaults could also adversely affect the Group's business, results of operations and financial condition. Furthermore, due to the current political and economic unstable environment, the Group's business customers may face difficulties generating revenue or maintaining cash flows, leading to increased risk of default on their financial obligations and a corresponding impact on the Group's bad debt provisions.

***The Group may fail to identify and execute suitable acquisitions and projects***

The Group's success in acquiring suitable assets and rebalancing its asset portfolio may be limited by its ability to execute acquisitions. Failure or material delays to successfully acquire assets to replace its declining asset businesses, may reduce the Group's earnings diversification. Over-concentration or inappropriate balance of the Group's portfolio may mean that a disruption in one asset or revenue stream in the Group's portfolio may have a disproportionate impact on the Group as a whole.

There can be no assurance that economic interests taken in businesses or assets will prove to be good investments, or that any acquired business will be successfully integrated into the Group. Any of these factors could have a material adverse effect on the Group's business, results of operations and overall financial condition.

***The Group is exposed to currency fluctuations***

The Group has cross-border operational exposure in euros, U.S. Dollars, Danish krone, as well as other currencies. Operational and capital expenditure cash flows may also be in currencies other than Sterling, the Group's reporting currency. The Group's profitability may be adversely affected if the results and cash flows associated with these international operations fall or cash outflows rise because of currency fluctuations against Sterling.

It is the Group's policy to use hedging instruments to manage the impact of currency fluctuations. To the extent that any of the Group's potential exposure remains unhedged, or such hedging is ineffective, the value of its investments may be affected by fluctuations in currency. Adverse movements in currency rates may have a material adverse effect on the Group's business, results of operations and overall financial condition.

***The Group is exposed to interest rate fluctuations***

The Group is exposed to movements in interest rates, which affect the amount of interest paid on borrowings and the return on its cash investments. If interest rates were to continue to increase, the amount of interest paid on floating rate borrowings would increase further, as would the cost of funding investments. The Group uses derivative financial instruments, such as interest rate swaps, to manage interest rate risk on long-term borrowings. To the extent that any of the Group's interest rate exposure remains unhedged, or such hedging is ineffective, adverse movements in interest rates could have a material adverse effect on the Group's business, results of operations and overall financial condition.

## **LEGAL AND REGULATORY RISKS**

### ***The Group's business is subject to regulatory oversight and legal risk***

The Group is subject to various regulatory interventions from regulatory bodies in the UK, the Republic of Ireland, and elsewhere. Objectives of these interventions vary, but include changing environmental regulations and disclosure requirements, governance of industry operations, market conduct, security of energy supplies, privacy and data protection controls, amendment to existing tax and disclosure regimes and protection of consumers and business customers.

The ongoing level of focus on energy companies in the UK serves to heighten further the level of scrutiny from regulatory bodies, and other key stakeholders, including the UK government and consumer groups, adding to the level of public attention directed towards compliance matters. The most significant recent regulatory intervention is the Ofgem's cap on standard variable and default energy tariffs introduced from the start of 2019 (please see "*Political, legal or regulatory intervention may have a negative impact on the Group's business and financial performance*" below for more information).

As well as Ofgem, the Group is subject to oversight from a wide range of other regulatory bodies including, the Competition and Markets Authority, the Agency for the Cooperation of Energy Regulators, the North Sea Transition Authority, the Office for Nuclear Regulation, the FCA and the Prudential Regulatory Authority ("PRA") in the UK; the Commission for Regulation of Utilities in the Republic of Ireland; and other regulators in Europe where its subsidiaries are active in wholesale electricity and natural gas markets. Regulatory bodies can impose rules on how the Group markets, sells and fulfils its products and services to its customers and have the power to amend or remove licences, conduct investigations into companies' operations, issue financial penalties and enforcement notices (including to stop the Group from acquiring new customers, and require it to increase capital holdings). In certain cases, regulators have the power to impose substantial fines that could have a material adverse impact on the Group's profitability. In the case of a supply licence breach in the UK for example, penalties administered by Ofgem could be up to 10 per cent of Group revenue and in the case of a breach of EU Regulation (No. 1227/2011) on wholesale energy market integrity and transparency, or breach of an FCA or PRA licence, the fine could be unlimited. While fines imposed to date by regulators on the Group and close competitors have not reached these levels, future fines may be more significant. Any intervention or remedies could materially adversely impact the Group's business, operations and overall financial condition.

The Group's Exploration and Production ("E&P"), British Gas Energy and CE businesses in the UK, the Republic of Ireland, and mainland Europe are closely regulated and significant changes to the legal and regulatory framework of these markets could have an impact on the Group's ability to achieve its operational or financial goals.

The UK retail and business energy supply businesses have also seen regulators impose significant obligations to implement carbon reduction/bill saving measures. The Energy Companies Obligation ("ECO") came into effect from January 2013. The current obligation period, known as ECO4, came into force in the summer of 2022 and runs to March 2026. ECO4 is a significant step-change in design from previous iterations, moving to a more complex whole house approach directly rewarding improvements to the energy rating of the home. ECO4 remains targeted at low income and vulnerable households only. The Department of Energy Security and Net Zero has signalled that they may make some minor changes to the scheme in 2024. While the Group is currently on track to meet its ECO4 obligation, there is no guarantee that it will do so. If the Group does not fulfil its ECO obligations, this could harm the Group's reputation and result in a regulatory penalty.

In relation to the British Gas Energy business, market half-hourly settlement ("MHHS") will be an industry wide requirement by December 2026, meaning that all energy suppliers will be required to settle electricity customers half hourly. The British Gas Energy business will need to align with MHHS by the applicable regulatory timetables for adopting MHHS for residential and business customers.



Similarly, the regulatory and policy landscape for distributed energy solutions in the main territories where the Group's CBS business operates (UK, Ireland, Italy, Hungary, Belgium and the Netherlands) may affect demand for distributed energy solutions from CBS's commercial and industrial customers, although there are other market trends and drivers for that demand such as enhanced customer site resilience and decarbonisation, electric vehicle ("EV") enablement and net zero objectives. Such demand might be affected by, for example, regulatory and policy changes that impact the economics of "behind the meter" gas-fired combined heat and power ("CHP") plants. Examples of these include regulatory changes to carbon taxes or to the method of recovering policy costs. The Group intends to mitigate the risks related to such regulatory change via its efforts to decarbonise electricity generation of the Group's industrial and commercial customers, including decarbonisation via renewable onsite generation (such as solar power) or implementing decarbonisation routes for the CHP plants (such as hydrogen-ready assets).

Any further regulatory developments affecting the energy markets within which the Group operate are uncertain and may have a material adverse effect on the Group's business, results of operations and financial condition.

***Political, legal or regulatory intervention may have a negative impact on the Group's business and financial performance***

The Group is subject to political interventions and corporate governance changes in various jurisdictions, including the UK, Republic of Ireland, and other regions. There have recently been significant regulatory changes enacted or proposed in respect of almost all aspects of the energy system, particularly in response to energy supply crisis following the Russia/Ukraine crisis and the drive to meet net zero targets, which may have a material impact on the Group's business. Government intervention in energy markets or policy changes (including any changes arising as a result of the legislation introduced to facilitate the attainment of net zero emissions targets and in response to the energy supply crisis) may significantly impact the Group's business and its ability to invest in new assets in the future. Heightened international political instability, including the consequences of the Russia/Ukraine crisis may lead to additional sanctions or other trade restrictions that may adversely impact the Group's commodity sourcing and project execution. Any perceived or actual non-compliance by the Group may result in substantial fines, loss or suspension of licences, legal proceedings and negatively impact on the Group's brands, operations and reputation.

The Group is subject to regulatory developments and energy price caps. Therefore, if the price caps are set at low levels which are not successfully appealed, certain challenges relating to cost recovery may be faced by the Group. The first energy price caps for customers using pre-payment meters and customers on standard variable tariffs were introduced by Ofgem on 1 April 2017 and 1 January 2019, this latter cap being known as the default tariff cap (the "**Default Tariff Cap**").

On 23 February 2024, the Department for Energy Security and Net Zero issued a call for evidence to explore the future of default tariffs and the Default Tariff Cap. On 25 March 2024, Ofgem launched a consultation on the future of energy price caps and energy regulation more generally in order to cater for the growing diversification of energy sources and tariffs. The call for evidence closed on 22 April 2024 and the Ofgem consultation closed on 6 May 2024. As at the date of this Prospectus, it is unclear what the outcome of these processes will be or how they may impact the Group's business, results of operations and profitability.

The UK government launched a major review into UK's wholesale electricity market design in July 2022, the Review of Electricity Market Arrangements ("**REMA**"). The core objective of this review is to reform electricity market arrangements to ensure that they are best suited to decarbonise the UK's electricity supply at the lowest cost to consumers. The UK government published a second consultation in March 2024, with a response date of 7 May 2024. Options still under consideration include moving from national wholesale pricing to a zonal pricing model. If zonal wholesale pricing is introduced, this is likely to change the economics of electricity generation for those assets without revenue protection such as Contracts for Difference. Under a

zonal model, some locations would have higher average wholesale prices than others. Centrica is engaging closely with the consultation process to ensure that the UK government fully understands the implications of different reforms on different market participants, including end consumers. However, it is possible that REMA will result in changes to the operation of the UK wholesale electricity market that have the potential to have a material effect on the Group's business, results of operations and overall financial performance.

In the UK, certain political parties have made statements in respect of their intended actions in the UK energy supply and generation markets. The UK Labour Party's current stated energy policy includes a windfall tax on profits of oil and gas companies and establishing a publicly owned company, Great Britain Energy, to invest in clean power generation. Any changes to UK government policy or an early general election may trigger new announcements, proposals or interventions in the UK energy supply, production or generation markets, and any such interventions could have a material adverse effect on the Group's business, results of operations and overall financial performance.

It is also possible that the regulation of air quality in the UK is further tightened by additional legislation, including the Environment Act 2021 under which the Secretary of State is required to set long-term environmental targets (being targets to be achieved over 15 years after the target is set) in respect of (among other matters) air quality. The air quality standards regulations in England and Wales require the Secretary of State and the Welsh Ministers (respectively) to, amongst other things, classify each zone of the country according to whether the ambient air exceeds the thresholds in the Regulations on a wide range of pollutants (including sulphur dioxide and nitrogen oxides), monitor levels of certain pollutants and ensure the levels do not exceed the prescribed limits and implement air quality plans to achieve the limit values. The introduction of these limits may adversely impact the market for some of the Group's activities to the extent alternative technological solutions are not possible.

The UK government has publicly announced a net zero carbon emissions target by 2050 and aims to decarbonise electricity generation by 2035. Meeting the net zero target will require the majority of, if not all, heat to be decarbonised by 2050.

The Climate Change Committee, the statutory body responsible for advising the UK and devolved governments on tackling climate change, has reported that, whilst the UK government has a solid net zero strategy in place, important policy gaps remain. Additional policy interventions are likely, which could have long-term impacts on use of gas for heating and in power generation. This may have a material adverse impact on the Group's business, results of operations and overall financial performance.

For further information, see "*Initiatives to address climate change may affect the Group's operations*" below.

***Initiatives to address climate change may affect the Group's operations***

The continued focus on climate change and solutions to global warming, including activities by non-governmental and political organisations as well as greater interest by the broader public, is likely to lead to additional regulations designed to tackle climate change. Policies and initiatives at national and international levels to address climate change may affect business conditions and demand for various types of energy and related solutions, particularly in the medium to long term. This risk extends to increased pressure from government, investors and customers to commit to and deliver on meaningful corporate carbon reduction targets.

Furthermore, there is also uncertainty due to international governmental intervention to reduce CO2 emissions and the likely impact this will have on gas demand and forecast prices, as well as customer response to climate change as customer demand grows for low-carbon products and services, potentially impacting sales volumes of fossil fuel-based offerings. In March 2024, the UK government announced that it would commit to support the building of new gas power stations to ensure future energy security, however, particularly with a possible

change of government in 2024, additional interventions may occur and it is not clear how such policies will develop or change and, accordingly, how they may impact the Group's business.

Policy approaches that promote or mandate the usage of alternative low-carbon energy sources and technologies may have an adverse impact on the Group's ability to maintain its profitability or position in key markets. In addition, new regulatory regimes may adversely affect the Group's operations if the Group is unable to scale up economically viable, as well as publicly acceptable, solutions that are aligned with a low-carbon market for new and existing projects or products. Additionally, policy changes could shorten the viable operating life of fossil-based assets leading to value impairment. Failure to adhere to the terms of any such policies or regulations on climate change, or indeed damage to the environment caused by the Group's business activities, could result in remediation costs in addition to reputational risk, legal proceedings or other measures being taken against the Group.

Increasing concern amongst institutional investors relating to the financial implications of climate change and exposure and resilience of organisations to the risks may lead to divestment and reduced access to capital.

***The Group may be significantly impacted by changing tax laws and tax rates***

The Group is subject to tax and tax legislation applicable in the markets and jurisdictions in which it operates. In particular, the Group is impacted by significantly higher rates of tax in its E&P businesses, most notably in the UK where the headline rate of tax is 75 per cent. (comprising a 30 per cent. ring fence corporation tax and 10 per cent. supplementary charge, as well as a 35 per cent. energy profits levy ("EPL") which was introduced in May 2022). In addition, whilst the Group is now subject to the ordinary corporate income tax rate of 22 per cent. in Norway, it has previously been subject to the higher 78 per cent rate (and therefore historic tax liabilities may continue to be subject to that significantly higher rate). In the March 2024 Budget, the Chancellor of the Exchequer announced that the UK government would extend the date on which the EPL ends from 31 March 2028 to 31 March 2029.

The UK Labour Party has announced that, if it wins the general election expected to be held in 2024, it will increase the rate of EPL from 35 per cent. to 38 per cent and has stated that it will implement a "proper windfall tax" on oil and gas production. Exact details of how such a tax would operate in practice have not yet been released.

The Group is subject to the Electricity Generator Levy ("EGL"). The EGL applies a 45 per cent. charge on receipts generated from the production of wholesale electricity sold at an average price in excess of £75 per megawatt ("MW") hour, exceeding an annual threshold of £10 million. It applies to generators whose generation exceeds 50 gigawatts annually, as well as to off-take arrangements with significant minority shareholders in such generators (for example, the generation of the Group's nuclear associate and potentially the Group's off-take from that associate). The EGL applies during the period 1 January 2023 to 31 March 2028.

The Group is reviewing the EGL and its application on an ongoing basis and the interpretation and application of the EGL is unclear in respect of the Group's minority shareholder nuclear off-take arrangements. As such, the extent of the EGL and the levy that will ultimately be due in this regard is not yet certain, and a different amount may eventually be determined. The Group has made payments of the EGL on the basis that the full amount of the EGL is due in respect of receipts from its nuclear off-take arrangements.

The Group is subject to the OECD's Base Erosion and Profit Shifting ("BEPS") initiative ("Pillar 2"), which seeks to establish a global minimum corporate tax rate of 15 per cent. and which may affect the Group's tax liabilities. Many countries, including the UK and Ireland, have introduced additional tax rules to implement Pillar 2 accounting periods beginning on or after 31 December 2023. The Group is continuing to assess the impact of Pillar 2, but the Group does not expect its tax liabilities to materially increase as a result of the

implementation of the Pillar 2 rules and the Republic of Ireland is the only jurisdiction that is likely to be affected. Preliminary analysis indicates the impact on the Group's effective tax rate will be less than 1 per cent.

The UK's 2022 Autumn Statement also included the announcement of a Vehicle Excise Duty on EVs, expected to come into force from 1 April 2025, which could impact the Group's EV charging point strategy as increased taxes may make EV ownership less attractive.

The Group's upstream businesses are typically subject to different tax rates and regimes than those that apply to its supply of energy and services businesses. Consequently, the Group is exposed to changes, both in the general corporate tax regime and specific tax regimes in relation to upstream production or other business segments. Tax laws, tax rates and interpretation of legislation and compliance and disclosure requirements, with associated costs and penalties change regularly, which could have a material adverse effect on the Group's business, results of operations and overall financial condition.

***The Group is subject to numerous permit requirements and licencing regimes***

The Group's various businesses require authorisations from national and local government agencies. Obtaining and maintaining these authorisations can be complex and time-consuming. The Group cannot guarantee that it will be able to obtain or maintain all required authorisations in a timely manner or at all. Failure to obtain, renew or maintain required authorisations, or disputes related to previously obtained authorisations may lead to suspension or termination of operations, material fines, penalties, liabilities and costs that could have a material adverse effect on the Group's financial condition, results of operations and cash flows. The Group's failure to obtain or maintain certain quality and safety certifications or meet related targets may result in early termination of contracts or exclusion from future contracts, either of which could have a material adverse effect on the Group's financial condition, results of operations and cash flows.

**INTERNAL CONTROL RISK**

***The Group is exposed to the risk of interruptions to infrastructure and IT systems, cyber threat or failure to protect confidential information***

The General Data Protection Regulation ("GDPR"), with other privacy legislation following suit, has increased the enforcement powers of supervisory authorities, including the ability to impose fines and to suspend processing of personal information. For example, the Group is subject to the GDPR in the EU ("EU GDPR") and the UK ("UK GDPR"). Since the introduction of GDPR, the Group has introduced or enhanced a number of internal policies and procedures designed to promote compliance with data privacy laws, however it cannot be guaranteed that such measures would prevent or mitigate the impact of a data breach. Breach of any of the EU GDPR or UK GDPR laws or regulations could lead to significant penalties, other types of government enforcement actions, private litigation and/or damage to the Group's reputation, as well as impact the Group's ability to deliver on its digital productivity and growth plans. GDPR and other privacy laws also give individuals the right to bring collective legal actions against the Group for failure to comply with data privacy laws.

The Group's businesses, joint ventures, and associates could be impacted by an incident arising from the accidental or deliberate breach, unavailability or integrity of personal identifiable information, sensitive business data or intellectual property. This could result in fines, regulatory intervention, reputational damage or loss of competitive advantage impacting revenue.

The legal collection, use, storage and disposal of information faces far greater scrutiny from regulators, customers and employees. The Group must comply with laws and regulations, in the various jurisdictions in which it operates and provide for secure transmission of business sensitive, personal identifiable information and other data. EU, UK and U.S. data privacy and cybersecurity requirements, including the new NIS Directive, and proposals to amend such requirements, together with any regulatory changes, could increase the requirements around regulatory and public notification of incidents, acknowledgement of claims by data

subjects and also the ability of the regulator in question to impose associated fines or penalties for non-compliance.

The Group's operations, including the efficient management and accurate billing of the Group's customers, effective upstream operations, and successful energy trading and hedging activities rely on sensitive and highly complex information systems and networks, including systems and networks provided by and interconnected with those of third-party suppliers. The Group has put in place appropriate frameworks governing the supervision of third-party suppliers to ensure the confidentiality, availability and integrity of information systems, but there may be situations that are beyond the Group's control or knowledge that could affect the Group's business and could damage the Group's reputation, licence to operate or subject the Group to legal action.

Information security compromise could cause system outages or reduced output that could cause significant financial and operational loss, for example by preventing the Group from serving customers, communicating with third parties, maintaining facilities, generating and purchasing energy, collecting and tracking revenues, or processing and reporting information.

A compromise of the Group's information systems could cause serious disruption to the operations of the Group, and specifically for the CE business, which conducts energy trading activities. In addition, cyber-attacks could have an adverse impact on the operation of critical national infrastructure, the operations of the Group's third-party suppliers, or the Issuer's ability to comply with its payment obligations under the Notes where such attacks affect the Group's financial systems or banking arrangements. These all could have a material adverse effect on the Group's reputation, business, results of operations and overall financial condition.

Parties wishing to disrupt or reduce output from the energy infrastructure and networks in which the Group operates may view the Group's information systems as an attractive target for cyber or other attacks. The cyber threat from nation state hackers remains very high. In particular, the Ukraine conflict has heightened the external cyber threat landscape and following the public deterioration in the relationship between Russia and the UK, increased cyber activity towards the oil and utilities sectors has been reported.

The Group is also vulnerable to the potential viral effect of insiders, consumers, nation state or 'hacktivist' groups using social media channels that could expose the Group to legal liabilities and/or damage the Group's reputation.

The volume and complexity of cybersecurity threats is growing and constantly evolving. Techniques previously unavailable to all but the most sophisticated actors are now being quickly commoditised and made available to state-sponsored groups and criminals, dramatically increasing the effectiveness of such attacks. As technology, computing capabilities, and developments such as artificial intelligence evolve, attackers can create more targeted and cheaper attacks. If successfully implemented, such attacks could harm the Group's reputation, business, and results of operations.

Internal misuse by employees including staff of third-party suppliers with access to the Group's information systems, either accidentally or maliciously, could result in a data breach or an incident with operational impact. This could expose the Group to regulatory intervention, fines and reputational damage.

There is a risk that the Group's security measures will not be sufficient to prevent, respond to or recover from all possible cyber-attacks which could have a material adverse effect on the Group's reputation, business, results of operations and overall financial condition.

***Damage to corporate reputation or brand perception could affect the Group's competitive position***

The Group and its businesses are leading energy brands, and its brand and reputation are important assets. The Group must actively manage its reputation, and that of senior management, with a number of different

stakeholders including customers, investors, opinion-formers, consumer and community representatives, employees, the media, governments and government agencies, other political parties and regulatory and trade union bodies. Any failure to follow the Group's global business principles of operating professionally, fairly and with integrity, or the public perception that there has been such a failure or other real or perceived failures of governance or legal or regulatory compliance could further undermine public trust in the Group, one or more of its businesses or its management, lead to increased regulatory intervention, harm the Group's reputation, damage one or more of its consumer brands and adversely affect its business, results of operations and overall financial condition.

There has been significant media attention on energy prices since the onset of the Russia/Ukraine crisis and the ensuing cost-of-living crisis. Increased public discussion on energy companies and energy prices could have a negative impact on the perception of the Group's brands, and any price increases by the Group are likely to receive public attention, which may be disproportionate to the media coverage of the Group's competitors.

Furthermore, social media allows customers and consumer groups to readily engage, share views, and take part in direct action and other campaigns. Any failure to retain the trust of the Group's customers and/or shareholders could lead to campaigns for corporate change through increased shareholder resolutions, and/or challenges in attracting and retaining new customers. In addition, British Gas Energy, as the UK's leading residential energy and services provider and Bord Gáis Energy as one of the leading energy providers in the Republic of Ireland, may be subject to heightened scrutiny by the media, in particular regarding compliance with their regulatory obligations and their domestic and business energy pricing policies. The increased level of media coverage may also result in additional or heightened government and regulatory scrutiny for the Group as a whole.

***The Group may fail to deliver its stated strategic objectives***

The Group is aiming to achieve cost efficiencies and growth in new and existing business areas in order to be successful in its strategic objectives. This may include entering new markets with increased uncertainty, developing new commercial offerings or evolving existing commercial offerings.

The delivery of certain large change programmes within the Group's businesses is technically complex. Trying to deliver too much change could result in a stretch on resources, undermine systems integrity, threaten business continuity, cost more than originally planned or take longer than estimated to implement. Change programmes could also suffer from quality, safety and compliance issues. Planned cost savings, value creation or other benefits may not be realised, and individual products may not be as widely accepted as anticipated.

As a result of business change, any failure to attract or retain capability and corporate knowledge, to mobilise personnel quickly, or take into account trade union dialogue, could affect the Group's ability to successfully execute any future plans. Delays or challenges with organisational restructure, changes to billing systems, the implementation of new products and entry into new markets, integration of acquisitions, meeting expected growth targets, and asset disposal could adversely affect stakeholders' perception of the Group, if not successfully delivered.

Management has publicly communicated the importance of its strategic priorities and aligned the future success of the Group to delivery of these goals. Failure to deliver on the Group's strategy or plans and to identify changes in the market environment and react appropriately, disruption to the business caused by these changes, or any significant variation in one or more external factors not under the Group's direct control could have a material adverse effect on the Group's business, results of operations and overall financial condition.

**RISKS RELATED TO THE ISSUER'S BUSINESS ACTIVITIES AND INDUSTRY**

***The Group operates in competitive markets***

The Group operates in highly competitive markets for the supply of energy and services to business and residential customers, including new home technology services and products. Customer behaviour and demand

can change due to improved energy efficiency, climate change, government initiatives, long-term weather patterns and the general economic outlook (please see “*The Group’s business activities and sales may be affected by changing customer behaviour and the efficiency and emergence of new technologies*” for further information).

In late 2021, a combination of commodity market volatility and a lack of financial resilience among suppliers led to over 25 energy suppliers exiting UK’s energy market. Although Ofgem has taken action to restore market stability and ensure suppliers act in a financially responsible manner, for example through the introduction and extension of the ban on acquisition-only tariffs and the introduction of an Enhanced Financial Responsibility Principle, there remains a risk that some energy suppliers may discount heavily in response to falling commodity prices and ahead of minimum capital requirements for energy companies, which have been proposed for implementation from the second quarter of 2025. Sustained heavy discounting may have a significant impact on the Group’s customer numbers due to the high-profile nature of many of the Group’s brands. Such risk may be mitigated by the incentives created by Ofgem’s new regulatory regime to promote responsible pricing and hedging strategies adopted by energy suppliers in the UK.

The Group also operates in the competitive home services market in the UK. Competition in these markets is increasing as existing energy and other service providers, such as insurance companies, telecom companies, security companies, supermarkets and other large retail companies have entered the services market and seek to strengthen their positions and diversify their product offerings.

Whilst the markets in which CBS provides business energy services are continuing to grow and develop, competition remains high among a broad range of market participants including energy services companies, utilities and major oil and gas companies. Due to the uncertainty this causes, the Group faces risks of failing to achieve its desired growth rates and margins in this market.

There can be no certainty that the Group will retain or develop a competitive position within the markets in which it operates, which if not achieved, could have a material adverse effect on its business, results of operations and overall financial condition.

***The Group may fail to provide good quality customer service***

The delivery of high-quality customer service is central to the Group’s business strategy. A failure to maintain or improve service quality could lead to customer churn, potentially resulting in loss of revenue and reputational damage. The Group’s customer base may be impacted by various factors, including the cost-of-living crisis, inflation levels and security of energy supply.

In 2023, the total number of complaints (as a percentage of average customers over the year) fell compared to 2022 in each of British Gas Energy, British Gas Services & Solutions and Bord Gáis Energy. There can, however, be no guarantee that the Group will be able to efficiently handle customer enquiries and complaints in the future. Customer service and complaints handling is also subject to Ofgem’s programme of market compliance reviews, escalating regulatory risk regarding this issue.

In addition, operational factors such as a failure in engineer capacity in British Gas Services & Solutions to meet peak demand, may lead to longer waiting times and lower customer satisfaction levels.

Any failure to maintain good quality customer service levels or to improve service levels in certain parts of the Group’s business could have a material adverse effect on the Group’s reputation, business, results of operations, and overall financial condition, as well as subject the Group to the risk of increased regulatory scrutiny that could, in turn, result in sanctions from relevant authorities.

***The Group is exposed to uncertain decommissioning costs***

The Group incurs liabilities and costs associated with decommissioning of E&P assets at the end of their lives, which are periodically reviewed and estimated based on reserves, price levels and technology at the relevant balance sheet date. For storage assets, the estimated cost of decommissioning is based on the general economic performance of each asset, including price levels and decommissioning technology at the relevant balance sheet date. As at 31 December 2023, the Group's gross decommissioning provision was £1,527 million (as described on page 177 of the annual report of the Issuer for the year ended 31 December 2023 incorporated by reference in this Prospectus). The payment dates of total expected future decommissioning costs are uncertain and dependent on the lives of the facilities but are currently anticipated to be predominantly incurred by 2035. The assumptions regarding decommissioning expenditure value and timing and any changes to these assumptions may have a material impact on the value of deferred tax assets and liabilities.

The decommissioning of the Group's assets is regulated by law and may require the owners of installations and pipelines to provide security and/or enter into decommissioning security agreements. Decommissioning liabilities may be increased as the UK Secretary of State is entitled to make all relevant parties (which may include former owners of such assets) liable for the decommissioning of an installation or pipeline and may require financial information and decommissioning security at any time during the life of an oil or gas field. This could result in increased costs for owners of installations and pipelines. Decommissioning costs could exceed estimates and the Group may be required to provide greater security for decommissioning costs than expected, which could have a material adverse effect on its business, results of operations and overall financial condition.

The EDF Energy Nuclear Generation Limited (“ENGL”) nuclear fleet will, following closure of the power stations, give rise to decommissioning costs. Certain of ENGL's nuclear liabilities will be paid for from the ‘Nuclear Liabilities Fund’ which is underwritten by the UK government. There is a risk that a breach of minimum performance standards may result in the creation of disqualified liabilities, which would not be funded by the Nuclear Liabilities Fund and would fall to ENGL to discharge. Please see “*The Group is exposed to risks associated with the existing ENGL nuclear fleet*” below for further information.

***The Group is exposed to risks associated with the existing ENGL nuclear fleet***

The Group holds a 20 per cent. interest in Lake Acquisitions Limited (“Lake”), a nuclear power generation business that owns eight nuclear power facilities (of which five stations are operating and three have moved to defueling). The fleet is operated by Lake's indirect, wholly-owned subsidiary, ENGL. The remaining 80 per cent. of Lake is owned by EDF Energy Lake Limited (“EDF”). This investment exposes the Group to the risks associated with the nuclear industry (including the fleet's operational life, planned and unplanned outages and operational costs) and the impact of nuclear regulation (including health, safety, environment and security (“HSE”) regulation relating to the operation of nuclear power stations). The Group is also exposed to potential losses in production due to the fleet's age, which could be further exacerbated by unforeseen plant closures, such as those experienced at the Dungeness B plant. Dungeness B ended operations in June 2021 having been on extended outage since September 2018 due to a range of unique, significant and ongoing technical challenges that were not found at the other advanced gas-cooled reactor power stations. Ahead of closure, detailed analysis highlighted a number of additional station-specific risks within some key components, including parts within the fuel assemblies. The timeline to decommission Lake's remaining operational assets is currently uncertain.

Although ultimate responsibility for the safe operation of nuclear plants remains with ENGL, the Group, through its joint venture with EDF, is also exposed to the scope of the hazards associated with the nuclear power generation industry.

Whilst the Group enjoys certain veto rights over certain decisions to be taken by Lake (or its affiliates), EDF has majority management control of such entities. As such, if the Group disagrees with EDF's management, it has limited rights to dispute and seek compensation in relation to such decisions.



***The Group's business activities and sales may be affected by changing customer behaviour and the efficiency and emergence of new technologies***

The Group's future operations may be impacted by changes in customer demands and regulatory requirements driven by economic, political, and social developments such as rising income inequality and climate change. This may result in significant additional risks, operational constraints and increased capital requirements. In addition, ineffective or incomplete implementation of new legislation may have adverse consequences on the viability of investment in new technologies and the development of new assets.

Improved energy efficiency, new boiler installations, increased heat pump installations and changing customer behaviour (for example, increased adoption of EVs) as a result of greater environmental awareness, reaction to past retail energy bill movements, long-term weather patterns and the general economic environment have led to a reduction in energy demand. The UK government's focus on energy efficiency and low-carbon solutions may subject the Group to additional obligations, leading to higher operating costs, increased capital investment, and operational constraints.

Technology and innovation are critical to the Group's operations and failure to develop, access or deploy the right technology may adversely affect the Group's strategy and license to operate. The Group operates in environments where new, evolving and/or advanced technologies are needed. While these technologies have been evaluated as appropriate for use within the Group's operations, there is always the possibility of unknown or unforeseeable circumstances or impacts that could harm the Group's reputation and financial performance. This could include the inability or failure to install sufficient numbers of heat pumps or EV chargers, failure to keep pace with changing consumer demands or technological innovations, failure to obtain or maintain relevant licences with third party intellectual property owners and the failure or non-performance of such technologies exposing the Group to litigation.

As discussed more fully in the section of this Prospectus entitled "*Description of the Centrica Group*", in 2023, the Group announced its "People & Planet" plan and five Group-wide goals forming the core of that plan which include, among other things, to help the Group's customers achieve net zero carbon emissions by 2050 and a 28 per cent. reduction in greenhouse gas emission intensity by the end of 2030. Any failure to achieve those goals, including by failing to keep pace with changing technologies or customer behaviour, could negatively impact public perception of the Group and adversely affect customer acquisition and retention, and consequently the Group's financial performance.

As digital media, the internet and mobile devices play a greater role in the retail energy and services sectors, the Group may face heightened competitive pressures and changing customer loyalties. The internet, mobile devices and innovation in the energy sector, such as smart metering, smart grids, micro generation and energy management/automation, will play a greater role in customer choice, enabling faster switching and potentially reducing customer brand loyalty and therefore the Group's earnings. New regulatory requirements would allow non-energy firms to access customer energy consumption data, reducing the value of the Group's proprietary information covering a significant portion of the consumer energy market in the UK. Due to these challenges, the Group cannot guarantee the success of its future operations or strategy, its ability to remain competitive, offer innovative products or take advantage of opportunities that may arise.

The Group is also subject to UK government obligations to promote energy efficiency and clean energy, including smart meter installation. The long-term demand for gas will be significantly affected by government and industry decisions around market structures, climate change initiatives and generation mix. The Group needs to grow its energy market share in certain markets and demand for its services and products, including energy efficiency measures (for example, low-carbon heating, microgeneration, distributed energy, insulation, and smart applications). The success of these initiatives could significantly impact the Group's revenues and profits, but there is no assurance of their success, widespread adoption, or government support. Failure by the

Group to adapt to further regulation, changing customer demands and global climate change may adversely affect the Group's reputation, business, results of operations and overall financial condition.

***The Group depends on the performance of third parties for certain outsourced contracts and activities***

The Group has entered into a number of outsourcing contracts, some of which are for offshore operations, in respect of certain support functions for its businesses in the UK including business-critical information technology services, financial accounting matters, customer services, and customer billing transactions. In addition, a number of the Group's assets rely on third party infrastructure. For instance, some of Spirit Energy's production assets, including certain projects, are operated or developed by third parties, as well as some of the Group's physical trading agreements, which rely on third party ship and terminal owners and third-party transportation (including by way of illustration to supply, transport and regasify). As with any contractual relationship, there are inherent risks to be considered and mitigated. Notwithstanding the fact that the appropriate due diligence has been carried out on the suppliers and the relevant service quality and governance measures are incorporated into the agreements, there can be no guarantee that suppliers will be able to provide the functions and services for which they have been contracted or will comply with all applicable laws and regulations. Any failure by suppliers to deliver the contracted goods or services, and to adhere to the relevant laws and regulations, the Group's Corporate Responsibility and other policies, could have a material adverse effect on the Group's reputation, business, results of operations and overall financial condition.

In January 2023, it was reported that a third-party supplier used by British Gas Energy had been engaged in the involuntary installation of residential customer pre-payment meters under warrant in circumstances where such an installation may not have been appropriate. As a result, Ofgem imposed a sector-wide moratorium on the involuntary installation of pre-payment meters under warrant and also initiated a formal investigation into British Gas Energy's use of the practice. The Group conducted an internal investigation of the matter which concluded that there were no systemic issues, however it made a number of recommendations which have been implemented. Ofgem's investigation of British Gas Energy remains ongoing. Following the introduction of extensive new supply licence conditions that apply to all suppliers performing the practice, Ofgem has now lifted the moratorium, subject to suppliers obtaining Ofgem's permission to restart. British Gas Energy is yet to formally request restarting this activity and is therefore reliant on alternative strategies for recovering residential customer debt.

The moratorium led to customer debt across the industry accumulating at a much higher rate during 2023 than anticipated. In 2023, British Gas Energy's bad debt charge increased to £541 million compared to £297 million in 2022. This included impacts from the moratorium and other macro factors, with an increase in both residential customer debt (up by £158 million) and small business customer debt (up by £86 million). Whilst suppliers are partly compensated for industry bad debt levels through the sectoral bad debt allowance under the residential customer energy price cap set by Ofgem, there is an ongoing heightened need for all suppliers, including British Gas Energy, to effectively manage their exposure to bad debt for both residential and business customers. British Gas Energy has evolved a new debt collection strategy for this purpose but, if such strategy does not prove to be effective, this could have a material adverse effect on the Group's reputation, business, results of operations and overall financial condition.

***The Group may be impacted by outages in gas and power assets, and may fail to sufficiently develop producing assets and replace reserves***

The Group currently owns (in whole or in part) or has offtake from a variety of gas (including LNG) and power assets in the UK and overseas and its results of operations and financial condition could be materially adversely impacted if there were to be long-term outages associated with one or more of those assets.

In order for Spirit Energy to maintain a sustainable business following future cessation of production and decommissioning of its current hydrocarbon production assets, it will be important that Spirit Energy successfully pursues strategic energy transition opportunities from its existing assets. In this regard, Spirit

Energy faces competition from a variety of different sources to secure the necessary licences and regulatory and partner support in order to be able to progress such opportunities. Similarly, timing delays, cost overruns, changes in regulatory and market environment as well as unsuccessful development and management of partners may render such projects uneconomic.

Spirit Energy's assets may not perform as expected, including as a result of shutdowns or an inability to realise expected production volumes. Lower production volumes could have a material adverse effect on the Group's earnings and cash flows.

A material unresolved operational failure relating to the processing and/or withdrawal of stored gas, for example a material unresolved operational failure at the Easington gas terminal operated by Centrica Energy Storage Limited could materially affect the Group's ability to access and trade gas in store, which could in turn have a material adverse effect on the Group's earnings and cash flows.

***The Group's business relies on the security of energy supply and events outside of the Group's control may disrupt the Group's operations***

As UK gas reserves have declined, the UK has become more reliant on gas pipeline and LNG supplies from overseas. Therefore, any disruption to these supply routes could have a significant impact on the availability and price of gas. Additionally, the Group's reliance on third-party supply chains increases the risk of potential disruption from natural disasters, acts of terrorism, and cyber-attacks.

The Group's business is exposed to the risk of facilities being damaged by natural disasters, including severe weather conditions, which could impact the availability of gas and power assets in the UK and overseas. Furthermore, terrorist activity, including sabotage or cyber-attack of power stations or pipelines, could also disrupt the energy sector and cause a break in the supply of energy to customers. An act of terrorism in a geographical location in which the Group has an interest could also have a commercial impact on the Group's existing agreements in the affected region.

The Group's entire business is exposed to the risk of facilities being damaged by natural disasters, including but not limited to severe weather conditions, which could impact the availability of gas and power assets in the UK and overseas. The Group currently owns (in whole or in part) or has offtake from a variety of gas (including LNG) and power assets in the UK and overseas. Therefore, any break in the supply chain, for example as a result of unplanned outages, could impact the Group's desired service level to its customers, which in turn could affect the Group's earnings. In addition, any failure to supply energy to customers could have a material adverse impact on the Group's reputation, business, results of operations and overall financial condition.

Certain events, including those arising due to third-party actions, such as the rapid and deadly spread of infectious disease, extreme weather events and natural disasters, cyber-attacks, social unrest and acts of terrorism or war, are not within the Group's direct control; however, these may cause significant disruption or interruption to the Group's operations, impact customer energy supplies and result in significant costs managing and reinstating normal customer services. Business continuity plans are in place, and regularly tested, to ensure such events are managed and appropriately mitigated, minimising disruption and potential loss. Furthermore, a rapid spread in infectious disease in the Group's main markets, could also indirectly impact the Group by curtailing customers' ability to settle their liabilities on time, as well as through contributing to a wider economic slowdown with a knock-on effect on the Group's liquidity and revenue streams.

In summary, the Group's entire business is exposed to the risk of disruption to the supply of energy due to international events, natural disasters, and terrorist activity, which could have a material adverse impact on the Group's results of operations and financial condition.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS**

### ***The Group is affected by global economic conditions***

The Group's operating and financial performance is influenced by the economic conditions of the countries and markets in which it operates and the Group's access to debt markets to raise capital through instruments such as bonds and commercial paper. Pressure from economic deterioration, inflation, volatile wholesale prices, increased levels of competition, political instability, reduced demand and recessionary impacts can all contribute to challenging market conditions. Recent global economic conditions and the COVID-19 pandemic have meant that unemployment has risen and disposable income has decreased, which could result in lower discretionary spend. This could lead to reduced turnover in services, customers delaying or forgoing the purchase of equipment and services or customers not paying their bills leading to an increase in bad debt and additional challenges faced by the Group in its debt recovery activity (please see "*The Group's business may be affected by the default of counterparties in respect of monies owed to the Group*" and "*The Group depends on the performance of third parties for certain outsourced contracts and activities*" above for further information). Strategic issues, including capital investment in mergers, acquisitions, disposals, market position, climate change, sustainable development, and new technologies, are also affected by global economic conditions and the Group's ability to grow its business successfully in these respects may be subject to circumstances beyond its control.

### ***The Group is subject to a number of HSE risks and regulations***

The Group's operations involve significant HSE hazards due to their technical complexity, operational diversity, environmental sensitivity and geographic range. The Group's operations include onshore and offshore gas production, exploration, transportation and shipping, gas supply and power generation, storage assets and energy services to retail and business customers (through franchises and joint ventures), as well the services delivered through the Group's workforce.

The Group's HSE risks include loss of process containment, security risks from cyber-attacks, activism, crime, and sabotage, which may cause harm to the public, employees, contractors, and significant environmental damage. The Group's management system controls HSE risks, and its effectiveness is regularly reviewed.

The Group must obtain permits, consents, and certifications from regulatory authorities to operate assets and provide services, and their conditions are subject to regular review and change. The Group engages with government departments and regulatory bodies through professional advisors and industry bodies. Failure to obtain or maintain permits, certifications, or meet required conditions may affect the Group's ability to operate effectively, which could have a material adverse effect on its financial condition, business, and results of operations.

Loss of containment, personal injury, environmental damage, breaches of HSE regulations may result in civil or regulatory action including in a material case a loss of licence, legal liability, criminal penalties and fines, compensation costs, damage to the Group's reputation and disruption to business activities. Furthermore, shutdown of the Group's operations or loss of investments in affected areas could have a materially adverse effect on the Group's business, results of operations, and liability may be imposed irrespective of fault.

Third-party actions such as infectious disease, extreme weather events, cyber-attacks, social unrest and acts of terrorism or war are not within the Group's direct control but may disrupt the Group's operations and impact customer energy supplies, resulting in significant costs. The Group has business continuity plans in place to manage and mitigate such events, however there is no guarantee that such plans will be effective.

Insurance proceeds may not adequately cover all liabilities incurred, lost revenue or increased expenses resulting from a major incident, particularly involving oil and gas E&P activities or the nuclear fleet. There is

also the possibility that insurance recompense is delayed resulting in material cash flow implications for the Group.

***Impaired structural or asset integrity could result in major accidents and environmental damage***

The Group's operations rely heavily on its assets, including its power plants, gas storage and processing facilities, battery storage and other infrastructure. Failure to ensure the structural or asset integrity of these assets, due to factors such as a failure in design, inappropriate maintenance and/or inspection, operating outside of design conditions, or human error, could result in major accidents, such as loss of containment of flammable or hazardous materials or structural collapse, leading to multiple fatalities and/or significant damage to the environment.

In particular, as assets age and the Group moves to more flexible generation, proactive management, maintenance, and investment will be required to carefully manage plant reliability and safety risks. Failure to invest in the inspection, maintenance, and development of the Group's assets could also result in significant safety issues, such as personal or environmental harm, or asset underperformance through unplanned outages.

In addition, failure to capture an adequate return on the Group's 20 per cent. investment in Lake due to operational issues or early station closures could suppress earnings and cash flows, which could adversely impact the Group's financial position and prospects.

Any major accident or environmental damage resulting from impaired structural, or asset integrity could have a significant negative impact on the Group's reputation, financial position, and prospects.

***The Group may fail to attract and retain senior management, skilled personnel and capabilities***

The attraction, development, retention, reputation and succession of senior management and individuals with key skills are critical factors in the successful execution of the Group's strategy, and operation of the Group's businesses. This is especially relevant in the highly competitive markets in which the Group currently or plans to operate and at times when the business is subject to high levels of public scrutiny. Insufficient capability and capacity in high calibre senior management and individuals, or any failure to make appropriate succession plans, could compromise achievement of the Group's strategic objectives and could have a material adverse effect on its business, results of operations and overall financial condition.

Labour market shortages for key skills could make attracting, retaining and motivating employees with the right capabilities in key roles across the business more challenging. Employee engagement may decrease, and industrial relations could worsen.

***Labour disputes could have an adverse impact on the Group's business***

The Group, and some of the third parties it relies upon, has a significant unionised workforce. Labour disputes or unrest, such as strikes, walkouts, claims or other labour disturbances may disrupt its business. A significant strike or other labour dispute could impact the Group's ability to provide upstream operations and downstream residential and business services in one or more of its key markets and could impact the customer service offered to residential and business supply customers. Any such disruption to the Group's business could negatively impact its reputation and may result in the loss of customers to competitors. The Group has not taken out any insurance to cover losses due to business disruptions caused by labour issues. Consequently, its reputation, financial position and operating results may be adversely affected by labour unrest.

**RISKS RELATED TO INTEREST PAYMENTS**

***The Issuer has the right to defer interest payments on the Notes***

The Issuer may, at its discretion, elect to defer all or part of any Interest Payment in accordance with Condition 5(a) (*Deferral of Payments*). While the deferral of payment of interest continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Notes or on certain instruments ranking *pari*

*passu* with the Notes and, in such event, the Holders are not entitled to claim immediate payment of the interest so deferred. Any deferred interest will only be settled on (a) the 10<sup>th</sup> Business Day following the date on which a Compulsory Arrears of Settlement Event occurs, (b) the next scheduled Interest Payment Date on which the Issuer pays interest on the Notes and (c) the date on which the Notes are redeemed or repaid in accordance with Condition 3 (*Subordination*), Condition 6 (*Redemption*), or Condition 11 (*Event of Default*).

Any such deferral of interest payment shall not constitute a default for any purpose unless such payment is mandatorily required in accordance with Condition 5(b) (*Mandatory Settlement*) of the Notes.

Any deferral of interest payments or the perception that the Issuer will exercise its optional deferral right will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities which do not contain such provisions, and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The Notes may not be redeemed unless and until all outstanding Arrears of Interest are satisfied in full, on or prior to the date set for the relevant redemption.

#### ***Risks related to changes in interest rates***

The interest rate on the Notes will reset on the First Reset Date and on every Reset Date thereafter, which can be expected to affect the interest payment on the Notes and the market value of the Notes.

Although the Notes will earn interest at a fixed rate of 6.500 per cent. per annum until (but excluding) the First Reset Date, the current market interest rate on the capital markets (the "**Market Interest Rate**") typically changes daily. A change in the Market Interest Rate may cause the market price of the Notes to change. If the Market Interest Rate increases, the price of fixed rate notes typically decreases. If the Market Interest Rate decreases, the price of fixed rate notes typically increases.

Since the initial fixed rate of interest for the Notes will be reset on the First Reset Date and on each subsequent Reset Date, the interest payment on the Notes will also change and could be less than the initial interest rate. Holders of the Notes (respectively, the "**Holders**") should be aware that movements in these market interest rates can adversely affect the price of the Notes and can lead to losses for the Holders if they sell the Notes.

Holders are exposed to the risk of fluctuating interest rate levels and uncertain interest income and the reset rates could affect the market value of an investment in the Notes.

#### ***Risks related to the reset of the Interest Rate linked to the Benchmark Gilt Rate***

From and including the First Reset Date to but excluding the Maturity Date, the Notes bear interest at a rate which will be determined on each relevant reset date at the Benchmark Gilt Rate for the relevant Reset Period plus a margin.

The performance of the Benchmark Gilt Rate and therefore the interest income on the Notes from the First Reset Date cannot be anticipated and neither the current nor the historical level of each reference rate is an indication of the future development of such reference rate. Due to varying interest income, Holders are not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments having longer fixed interest periods.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the Market Interest Rate, as the Market Interest Rate fluctuates. During each Reset Period, the Holder is exposed to the risk described under "*Risks related to changes in interest rates*" above.

## **RISKS RELATED TO THE NOTES GENERALLY**

### ***The Notes are long-term notes and holders have no right to call the Notes for redemption***

Unless previously redeemed or purchased or cancelled, the Notes will be redeemed on the Maturity Date, and the Issuer is under no obligation to redeem the Notes at any time prior to such date. Holders have no right to call the Notes for their redemption. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an extended period of time.

### ***The Issuer's obligations under the Notes are subordinated***

The Issuer's obligations under the Notes will be direct, unsecured and subordinated, and rank *pari passu* and without any preference among themselves. In the event that an order is made, or an effective resolution is passed, for the winding-up of the Issuer (otherwise than for the purposes of a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a "successor in business" (as defined in the Trust Deed) of the Issuer, the terms of which reorganisation, reconstruction, amalgamation or substitution (x) have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with the Conditions) or an administrator of the Issuer has been appointed and such administrator gives notice that it intends to declare and distribute a dividend, the claims of the Holders and Couponholders will be subordinated in the matter provided in Condition 3(a) (*Subordination*) and the Trust Deed to the claims of holders of all Senior Obligations of the Issuer but shall rank (a) at least *pari passu* with the claims of holders of all Parity Obligations and (b) in priority to the claims of holders of all Junior Obligations. See "*Terms and Conditions of the Notes—Status*" and "*Terms and Conditions of the Notes—Subordination*".

By virtue of such subordination, payments to a Holder will, in the events described in the Conditions, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied. A Holder may, therefore, recover less than the holders of unsubordinated or other prior ranking subordinated liabilities of the Issuer, if any. Furthermore, the Conditions will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date. The incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding-up or administration of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Notes. Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes or the Coupons and each Holder and Couponholder shall, by virtue of their holding of any Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

Although subordinated debt securities, such as the Notes, may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a risk that an investor in subordinated notes such as the Notes will lose all or some of their investment should the Issuer become insolvent.

### ***The Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events***

The Notes will be redeemable, at the option of the Issuer, in whole but not in part on any date from (and including) 21 February 2030 to (and including) the First Reset Date or on any Interest Payment Date thereafter (each a "**Par Call Date**") at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. The Notes are also redeemable, at the option of the Issuer, in whole but not in part on any date other than a Par Call Date at the make-whole amount described in Condition 6(c) (*Issuer's Call Option (Make-whole Option)*).

In addition, upon the occurrence of an Accounting Event, a Rating Methodology Event, a Change of Control Event, a Substantial Repurchase Event, a Tax Deductibility Event or a Withholding Tax Event (each as defined in the Conditions and as more fully described in Condition 6 (*Redemption*) of the Notes and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) of the Notes), the Issuer shall have the option to redeem, in whole but not in part, the Notes at the prices set out therein, in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. In the case of a Change of Control Event, in the event that the Issuer does not elect to redeem the Notes, the then prevailing Interest Rate (as defined in the Conditions), and each subsequent Interest Rate otherwise determined in accordance with Condition 4 (*Interest Payments*) of the Notes, on the Notes shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred.

Furthermore, if an Accounting Event, a Rating Methodology Event, a Tax Deductibility Event or a Withholding Tax Event occurs, then, subject to the provisions of Conditions 7 (*Substitution or Variation*) and 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) of the Notes, the Issuer may at any time, instead of giving notice to redeem the Notes, substitute all, but not some only, of the Notes for, or vary the terms of the Notes so that they remain or become, as the case may be, Qualifying Notes.

During any period when the Issuer may elect to redeem the Notes or there exists a perception that the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***A Rating Agency may change its equity credit methodology after the Issue Date***

A Rating Agency may change its equity credit criteria after the issue date of the last Tranche of the Notes, and as a result (i) all or any of the Notes may no longer be eligible for the same or a higher amount of equity credit (or, if the Notes have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit from such Rating Agency in part or in full as a result, all or any of the Notes would no longer have been eligible as a result of such change in equity credit criteria had they not been re-financed) for the same, or a higher amount of, equity credit as was attributed to the Notes as at the issue date of the last Tranche of the Notes, or (ii) the length of time the Notes are assigned a particular level of equity credit may be shortened compared to the length of time they were assigned that level of equity credit by such Rating Agency under its prevailing methodology on the issue date of the last Tranche of the Notes, in which case the Issuer may elect to redeem all of the Notes in accordance with Condition 6 (*Redemption*) of the Notes.

For further information, see the risk factor entitled “—*The Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events*” above.

***The current IFRS accounting classification of financial instruments such as the Notes as financial liabilities may change, which may result in the occurrence of an Accounting Event***

In June 2018, the International Accounting Standards Board (the “IASB”) published the discussion paper DP/2018/1 on “Financial Instruments with Characteristics of Equity” (the “DP/2018/1 Paper”) and a public meeting was held on this matter in 2020. In November 2023, the IASB published a further exposure paper



suggesting proposed changes to International Accounting Standard 32 (the “**Exposure Paper**”), with comments on that paper due by 29 March 2024.

As of the date of this Prospectus, the IASB has not published any further materials relating to the DP/2018/1 Paper since the Exposure Paper and the date of implementation of the proposals is uncertain. However, if the proposals set out in the DP/2018/1 Paper and the Exposure Paper are implemented (or as a result of further IASB proposals), the current IFRS accounting classification of financial instruments such as the Notes as financial liability instruments may change and this may result in the occurrence of an Accounting Event. In such an event, the Issuer may have the option to redeem, in whole but not in part, the Notes (pursuant to Condition 6(h) (*Redemption for Accounting Event*) of the Terms and Conditions of the Notes) or substitute, or vary the terms of, the Notes in accordance with Condition 7 (*Substitution or Variation*) of the Terms and Conditions of the Notes. No assurance can be given as to the future classification of the Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem, substitute or vary the terms of the Notes pursuant to the Terms and Conditions of the Notes.

For further description of risks related to early redemption or to substitution or variation of the Notes, see the risk factor entitled “—*Modification, Waivers and Substitution*” below and the risk factor entitled “—*The Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events*” above.

#### ***Enforcement and limited remedies***

The only events of default in the Conditions are if a default is made by the Issuer for a period of 14 days or more in the payment of any principal due and payable on the Notes or 21 days or more in the payment of any interest due and payable on the Notes. In such case, the Issuer will be deemed to be in default and the Trustee may (as described in the Conditions) institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment and the Notes will thereby immediately become due and payable at their principal amount together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest.

Payments of interest on the Notes may be deferred in accordance with Condition 5(a) (*Deferral of Payments*) of the Notes and, if the Issuer exercises this option, payments of interest will not be due other than in the circumstances described in Condition 5(b) (*Mandatory Settlement*) of the Notes. Refer to the risk factor under the heading “—*Risks related to Interest Payments—The Issuer has the right to defer interest payments on the Notes*” above.

Therefore, it will only be possible for the Holders to enforce claims for payment of principal or interest of the Notes when the same are due and such claims will be subordinated to the claims of holders of all Senior Obligations, as further described in Condition 3(a) (*Subordination*) of the Notes.

In addition, in the event that an order is made, or an effective resolution is passed, for the winding-up of the Issuer (otherwise than for the purposes of a solvent winding-up) or an administrator of the Issuer has been appointed and such administrator gives notice that it intends to declare and distribute a dividend, the claims of Holders will be subordinated to the claims of holders of all Senior Obligations as further described in Condition 3(a) (*Subordination*) of the Notes. Accordingly, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration proceedings before the Holders may expect to obtain any recovery in respect of their Notes and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration proceedings.

### ***Integral multiples of less than the specified denomination***

The denominations of the Notes are £100,000 and integral multiples of £1,000 in excess thereof, up to and including £199,000. Therefore, it is possible that the Notes may be traded in amounts in excess of £100,000, that are not integral multiples of £100,000.

A Holder who, as a result of trading such amounts, holds a principal amount of less than £100,000 in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a nominal amount of Notes at or in excess of £100,000 such that their holding amounted to £100,000 or a higher integral multiple of £1,000 in excess thereof, up to (and including) £199,000.

In such a case, a Holder who, as a result of trading such amounts, holds a principal amount of less than £100,000, will not receive a definitive note in respect of such holding (should definitive notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to at least £100,000. If definitive Notes are issued, Holders should be aware that definitive notes which have a denomination that is not an integral multiple of £100,000 may be illiquid and difficult to trade.

### ***Modification, waivers and substitution***

The Conditions of the Notes contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities of Holders of the Notes to bind all Holders of the Notes, including those Holders of the Notes who did not attend and vote at the meeting and Holders of the Notes who voted in a manner contrary to the majority.

The quorum at any such meeting for passing an Extraordinary Resolution (as defined in the Trust Deed) is one or more persons holding or representing not less than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Notes so held or represented. The Holder of a Permanent Global Note will be treated as having one vote in respect of each £1,000 in principal amount of the Notes, for which the Permanent Global Note may be exchanged.

The Conditions and the Trust Deed in respect of the Notes will also provide that the Trustee may, without the consent of the Holders or Couponholders, agree to (i) any modification of the Notes, the Coupons, the Conditions or of any other provisions of the Trust Deed or the Paying Agency Agreement in respect of the Notes which is in each case, in the opinion of the Trustee, not materially prejudicial to the interests of Holders or Couponholders or is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law, (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach by the Issuer of, any of the Conditions or of the provisions of the Trust Deed or the Paying Agency Agreement in respect of the Notes which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders (which will not include, for the avoidance of doubt, any provision entitling the Holders to institute proceedings for the winding-up of the Issuer which is more extensive than those set out in Condition 11 (*Event of Default*) of the Notes), (iii) the substitution on a subordinated basis equivalent to that referred to in Conditions 2 (*Status*) and 3 (*Subordination*) of the Notes of certain other entities in place of the Issuer (or any previous Substituted Obligor (as defined in Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*) of the Notes)) as a new principal debtor under the Trust Deed and the Notes, Coupons and Talons or (iv) either (a) substitute all, but not some only, of the Notes for, or (b) vary the terms of the Notes with the effect that they remain or become, as the case may be, Qualifying Notes, in each case in accordance with Condition 7 (*Substitution or Variation*) of the Notes, upon the occurrence of an Accounting Event, a Rating Methodology Event, a Tax Deductibility Event or a Withholding Tax Event and subject to the receipt by the Trustee of the certificate of two authorised signatories of the Issuer referred to in Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) of the Notes. While Qualifying Notes are required to contain terms not materially less favourable

to the class of Holders taken as a whole (as reasonably determined by the Issuer (in consultation with an independent investment bank or counsel of international standing)), there can be no assurance that the Qualifying Notes will not have a significant adverse impact on the price of, and/or market for, the Notes or the circumstances of individual Holders. In addition, any such substitution or variation could have unexpected commercial consequences depending on the circumstances of an individual Holder, and the Issuer will consider the impact on the class of Holders taken as a whole and is not required to take into account the individual circumstances of each Holder.

#### ***Change of law***

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Notes.

### **RISKS RELATED TO THE MARKET GENERALLY**

#### ***Secondary market liquidity***

Although application will be made to admit the Notes to trading on the Market, the Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

These types of notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

#### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in sterling. This presents certain risks relating to currency or currency unit conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the "**Investor's Currency**") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### ***Credit ratings may not reflect all risks***

The credit ratings assigned to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold notes and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third-country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case

may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified credit rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (i) endorsed by a UK-registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation (subject to such registration not having been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances)

If the status of a rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use such rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. If any rating assigned to the Issuer is revised lower, suspended, withdrawn or not maintained by the Issuer, the perception of the Issuer's creditworthiness in the market may be adversely affected. As a result, the market value of the Notes may be reduced, leading to a holder of Notes being unable to sell its Notes or receiving a price which is lower than the value of its original investment.

Certain information with respect to each Rating Agency is set out on the cover page of this Prospectus and in the section of this Prospectus entitled "*Important Information*".

## TERMS AND CONDITIONS OF THE NOTES

*The following, subject to alteration and except for paragraphs in italics, are the terms and conditions of the Notes which will be endorsed on each Note in definitive form (if issued).*

The issue of the £405,000,000 Subordinated Resettable Fixed Rate Notes due 2055 (the “**Notes**”, which expression shall, unless the context otherwise requires, include any further notes issued pursuant to Condition 19 (*Further Issues*) and forming a single series with the Notes) of Centrica plc (the “**Issuer**”) was authorised by resolutions of the board of directors of the Issuer (the “**Board of Directors**”) passed on 24 April 2024. The Notes are constituted by a trust deed (the “**Trust Deed**”) dated 21 May 2024 between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the “**Holders**”). These terms and conditions (as amended from time to time) (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Notes and of the interest coupons (the “**Coupons**”, which expression includes, where the context so permits, talons for further Coupons (the “**Talons**”)) and the Talons appertaining to Notes in definitive form. Copies of (a) the Trust Deed, and (b) the paying agency agreement (the “**Paying Agency Agreement**”) dated 21 May 2024 relating to the Notes between the Issuer, Citibank, N.A., London Branch as the initial principal paying agent and agent bank (the “**Principal Paying Agent**” and the “**Agent Bank**”, respectively, which expressions shall include any successor thereto) and the other initial paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include the Paying Agents for the time being) and the Trustee: (i) are available for inspection during usual business hours at the principal office of the Trustee (presently at 8th Floor, 100 Bishopsgate, London EC2N 4AG) and at the specified offices of each of the Paying Agents or (ii) may be provided by email to a Holder or Couponholder (as defined below) following its prior written request to the Trustee or a Paying Agent and the provision of evidence satisfactory to the Trustee or relevant Paying Agent as to its holding of the relevant Notes or Coupons and identity. The Holders and the holders of the Coupons (whether or not attached to the relevant Notes) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, and are deemed to have notice of those provisions applicable to them of the Paying Agency Agreement.

### 1 **Form, Denomination and Title**

#### *(a) Form and Denomination*

The Notes are serially numbered and in bearer form in the denominations of £100,000 and integral multiples of £1,000 in excess thereof, up to (and including) £199,000, each with Coupons and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons. No definitive Notes will be issued with a denomination above £199,000. Notes of one denomination may not be exchanged for Notes of any other denomination.

#### *(b) Title*

Title to the Notes, the Coupons and each Talon passes by delivery. The holder of any Note, Coupon or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

## 2 Status

The Notes and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders and the Couponholders are subordinated as described in Condition 3 (*Subordination*).

## 3 Subordination

### (a) General

In the event of:

- (i) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a “successor in business” (as defined in the Trust Deed) of the Issuer, the terms of which reorganisation, reconstruction, amalgamation or substitution (A) have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) and (B) do not provide that the Notes shall thereby become redeemable or repayable in accordance with the Conditions); or
- (ii) an administrator of the Issuer being appointed and such administrator giving notice that it intends to declare and distribute a dividend,

the rights and claims of the Holders and the Couponholders (and of the Trustee on their behalf) against the Issuer in respect of or arising under the Notes, the Coupons relating to them and the Trust Deed shall be for an amount equal to the principal amount of the relevant Note and any accrued and unpaid interest and any outstanding Arrears of Interest, provided however that such rights and claims will be subordinated, in the manner provided in this Condition 3(a) and in the Trust Deed, to the claims of holders of all Senior Obligations of the Issuer but shall rank (a) at least *pari passu* with the claims of holders of all Parity Obligations and (b) in priority to the claims of holders of all Junior Obligations.

Nothing in this Condition 3(a) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the Agents or the rights and remedies of the Trustee or the Agents in respect thereof.

*Accordingly, and without prejudice to the rights of the Trustee or the Agents, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration before the Holders may expect to obtain any recovery in respect of their Notes and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration. See “Risk Factors – Risks related to the Notes generally – Enforcement and Limited Remedies”.*

### (b) Set-off

Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes or the Coupons and each Holder and Couponholder shall, by virtue of his holding of any Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder or Couponholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Holder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or administrator of the Issuer (as applicable)) and, until such time as payment is made,

shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or administrator of the Issuer (as applicable)) and accordingly any such discharge shall be deemed not to have taken place.

#### 4 Interest Payments

(a) **Interest Rate**

The Notes bear interest on their principal amount at the applicable Interest Rate from (and including) 21 May 2024 (the “**Issue Date**”) in accordance with the provisions of this Condition 4.

Subject to Condition 5 (*Optional Interest Deferral*), interest shall be payable on the Notes semi-annually in arrear in equal instalments on 21 May and 21 November in each year (each an “**Interest Payment Date**”) as provided in this Condition 4.

(b) **Interest Accrual**

The Notes will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 6 (*Redemption*) or the date of substitution thereof pursuant to Condition 7 (*Substitution or Variation*), as the case may be, unless, upon due presentation, payment of all amounts due in respect of the Notes is not made, in which event interest shall continue to accrue in respect of unpaid amounts on the Notes, both before and after judgment, and shall be payable, as provided in the Conditions up to (but excluding) the Relevant Date.

Save as provided in Condition 4(c), where it is necessary to calculate an amount of interest in respect of any Note for a period which is shorter than a complete Interest Period, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the product of (1) the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or first) scheduled Interest Payment Date and (2) two.

Where it is necessary to calculate an amount of interest in respect of any Note for a period of more than one Interest Period, such interest shall be the aggregate of the interest payable in respect of a full Interest Period plus the interest payable in respect of the remaining period calculated in the manner as aforesaid.

Interest in respect of any Note shall be calculated per £1,000 in principal amount thereof (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, save as provided in Condition 4(c), be equal to the product of the relevant Interest Rate, the Calculation Amount and the day count fraction as described in this Condition 4(b) for the relevant period, rounding the resulting figure to the nearest penny (half a penny being rounded upwards). The amount of interest payable in respect of each Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Note without any further rounding.

(c) **First Fixed Interest Rate**

For each Interest Period ending on or before the First Reset Date, the Notes bear interest at the rate of 6.500 per cent. per annum (the “**First Fixed Interest Rate**”), payable semi-annually in arrear in equal instalments on each Interest Payment Date.

(d) **Subsequent Fixed Interest Rates**

For each Interest Period which commences on or after the First Reset Date, the Notes bear interest at the relevant Subsequent Fixed Interest Rate. Such interest shall be payable semi-annually in arrear on the

Interest Payment Dates in each year until (and including) the Maturity Date and shall be calculated, subject to Condition 4(i) below, as follows:

**“Subsequent Fixed Interest Rate”** = Benchmark Gilt Rate + Margin

all as determined by the Agent Bank and where:

**“Benchmark Gilt”** means, in respect of a Reset Period, such United Kingdom government security having an actual or interpolated maturity date on or about the last day of such Reset Period as the Issuer, on the advice of an investment bank or financial adviser of international repute, may determine would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in sterling;

**“Benchmark Gilt Quotation”** means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of such Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank on a dealing basis for settlement on the next following dealing day in London;

**“Benchmark Gilt Rate”** means, in respect of a Reset Period, the percentage rate (rounded, if necessary, to the third decimal place (0.0005 per cent. being rounded upwards)) determined by the Agent Bank on the basis of the Benchmark Gilt Quotations provided (upon request by or on behalf of the Issuer) by the Reset Reference Banks to the Issuer and by the Issuer to the Agent Bank at approximately 11:00 a.m. (London time) on the Reset Interest Determination Date in respect of such Reset Period. If at least four quotations are provided, the Benchmark Gilt Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Benchmark Gilt Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the quotation provided. If no quotations are provided, the Benchmark Gilt Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the Benchmark Gilt Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, 3.988 per cent.;

**“Reset Interest Determination Date”** means, in respect of a Reset Period, the day falling two Business Days prior to the first day of such Reset Period;

**“Reset Reference Banks”** means five brokers of gilts and/or gilt-edged market makers, in each case, as selected by the Issuer; and

**“Margin”** means in respect of (i) the Reset Period commencing on (and including) the First Reset Date and ending on (but excluding) 21 May 2035, 2.512 per cent.; (ii) each Reset Period which falls in the period from (and including) 21 May 2035 to (but excluding) 21 May 2050, 2.762 per cent. and (iii) each Reset Period which falls in the period from (and including) 21 May 2050 to (but excluding) the Maturity Date, 3.512 per cent.

For the purposes of this Condition 4(d), the Agent Bank shall not verify and shall not be responsible to the Issuer or to any third party as a result of the Agent Bank having relied upon or acted on any quotation or information given to it for the purposes of calculating the Subsequent Fixed Interest Rate or the Benchmark Gilt Rate which subsequently may be found to be incorrect or inaccurate in any way or for any losses whatsoever resulting from acting in accordance therewith.



**(e) *Determination of Subsequent Fixed Interest Rates***

The Agent Bank will, as soon as practicable after 11:00 a.m. (London time) on each Reset Interest Determination Date, determine the Subsequent Fixed Interest Rate in respect of each Interest Period falling within the relevant Reset Period.

**(f) *Publication of Subsequent Fixed Interest Rates***

The Issuer shall cause notice of each Subsequent Fixed Interest Rate determined in accordance with this Condition 4 in respect of each relevant Interest Period to be given to the Trustee, the Paying Agents, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 18 (*Notices*), the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

**(g) *Agent Bank and Reset Reference Banks***

With effect from the First Reset Date, the Issuer will maintain an Agent Bank and five Reset Reference Banks where the Interest Rate is to be calculated by reference to them. The initial specified office of the Agent Bank is set out at the end of the Conditions.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Agent Bank with another leading financial institution in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine a Subsequent Fixed Interest Rate in respect of any Interest Period as provided in Condition 4(d), the Issuer shall forthwith appoint another leading financial institution in London approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

**(h) *Determinations of Agent Bank Binding***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Agent Bank shall (in the absence of wilful default, manifest error or negligence) be binding on the Issuer, the Agent Bank, the Trustee, the Paying Agents and all Holders and Couponholders and (in the absence as aforesaid) no liability to the Holders, the Couponholders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

**(i) *Step-up after Change of Control Event***

Notwithstanding any other provision of this Condition 4, if the Issuer does not elect to redeem the Notes in accordance with Condition 6(g) following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 4, on the Notes shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred.

Without prejudice to the Issuer's right to redeem the Notes in accordance with Condition 6(g) following the occurrence of any Change of Control Event, this Condition 4(i) shall only apply in relation to the first Change of Control Event to occur while any of the Notes remains outstanding.

## **5 Optional Interest Deferral**

**(a) *Deferral of Payments***

The Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a "**Deferred Interest Payment**") which is otherwise scheduled to be paid on an Interest Payment Date by giving notice of

such election to the Holders in accordance with Condition 18 (*Notices*), the Trustee and the Principal Paying Agent not more than 14 nor less than 7 Business Days prior to the relevant Interest Payment Date. Subject to Condition 5(b), if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Event of Default or any other breach of its obligations under the Notes or for any other purpose.

Arrears of Interest (as defined below) may be satisfied at the option of the Issuer in whole or in part at any time (the “**Optional Deferred Interest Settlement Date**”) following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 18 (*Notices*), the Trustee and the Principal Paying Agent not more than 14 nor less than 7 Business Days prior to the relevant Optional Deferred Interest Settlement Date informing them of its election to so satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment shall itself bear interest (such further interest together with the Deferred Interest Payment, being “**Arrears of Interest**”), at the Interest Rate prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 5(b), in each case such further interest being compounded on each Interest Payment Date.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Notes or for any other purpose, unless such payment is required in accordance with Condition 5(b).

**(b) *Mandatory Settlement***

Notwithstanding the provisions of Condition 5(a) relating to the ability of the Issuer to defer Interest Payments, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose. The Issuer will deliver notice of the occurrence of a Compulsory Arrears of Interest Settlement Event and the associated Mandatory Settlement Date to the Holders in accordance with Condition 18 (*Notices*), the Trustee and the Principal Paying Agent not less than 7 Business Days prior to the relevant Mandatory Settlement Date.

## **6 Redemption**

**(a) *Final Redemption***

Unless previously redeemed or purchased and cancelled as provided in this Condition 6, the Notes will be redeemed on the Maturity Date at their principal amount together with any accrued and unpaid interest up to (but excluding) the Maturity Date and any outstanding Arrears of Interest.

The Notes may not be redeemed at the option of the Issuer otherwise than in accordance with this Condition 6.

**(b) *Issuer’s Call Option (Par Call Option)***

The Issuer may, by giving not less than 10 nor more than 60 days’ notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable), redeem all, but not some only, of the Notes on any date from (and including) 21 February 2030 to (and including) the First Reset Date or on any Interest Payment Date thereafter (each a “**Par Call Date**”) at their principal amount together with any accrued and unpaid interest up to (but excluding)

the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

**(c) Issuer's Call Option (Make-whole Option)**

The Issuer may, by giving not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable), redeem all, but not some only, of the Notes on any date other than a Par Call Date at an amount equal to the higher of:

- (x) 100 per cent. of the principal amount outstanding of the Notes; or
- (y) the principal amount outstanding of the Notes multiplied by the price, as reported to the Issuer and the Trustee by the Determination Agent, at which the Gross Redemption Yield on the Notes on the Reference Date (assuming for this purpose that the Notes are redeemed on the Next Par Call Date) is equal to the Gross Redemption Yield (determined by reference to the middle market price) at 10.00 a.m. (London time) on the Reference Date of the Reference Bond, plus 0.400 per cent.,

all as determined by the Determination Agent, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

**(d) Redemption for Certain Taxation Reasons**

If, immediately prior to the giving of the notice referred to below, a Tax Deductibility Event or a Withholding Tax Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with the Conditions at any time all, but not some only, of the Notes at (i) 101 per cent. of their principal amount (in the case of a Tax Deductibility Event where such redemption occurs prior to 21 February 2030) or (ii) their principal amount (in the case of a Tax Deductibility Event where such redemption occurs on or after 21 February 2030 or in the case of a Withholding Tax Event where such redemption occurs at any time), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

**(e) Redemption for Rating Reasons**

If, immediately prior to the giving of the notice referred to below, a Rating Methodology Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with the Conditions all, but not some only, of the Notes at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to 21 February 2030) or (ii) their principal amount (where such redemption occurs on or after 21 February 2030), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

**(f) Redemption for Substantial Repurchase Event**

If, immediately prior to the giving of the notice referred to below, a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with the Conditions all, but not some only, of the Notes at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

**(g) Redemption for Change of Control Event**

If, immediately prior to the giving of the notice referred to below, a Change of Control Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with the Conditions all, but not some only, of the Notes at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

**(h) Redemption for Accounting Event**

If, immediately prior to the giving of the notice referred to below, an Accounting Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with the Conditions all, but not some only, of the Notes at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to 21 February 2030) or (ii) their principal amount (where such redemption occurs on or after 21 February 2030), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

## **7 Substitution or Variation**

If an Accounting Event, a Rating Methodology Event, a Tax Deductibility Event or a Withholding Tax Event (each a "**Substitution or Variation Event**") has occurred and is continuing, then the Issuer may, subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) (without any requirement for the consent or approval of the Holders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 7 have been complied with, and having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable), at any time either (a) substitute all, but not some only, of the Notes for, or (b) vary the terms of the Notes with the effect that they remain or become (as the case may be), Qualifying Notes, and the Trustee shall (subject to the following provisions of this Condition 7 and subject to the receipt by it of the certificate of the authorised signatories of the Issuer referred to in Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) below) agree to such substitution or variation but without further responsibility or liability on the part of the Trustee.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Notes in accordance with this Condition 7, as the case may be.

The Trustee shall, without any requirement for the consent or approval of the Holders, concur with the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Qualifying Notes, provided that the Trustee shall not be obliged to so concur if, in the Trustee's opinion, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any document to which it is a party in any way. If the Trustee does not so concur, the Issuer may redeem the Notes as provided in Condition 6 (*Redemption*).

In connection with any substitution or variation in accordance with this Condition 7, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions shall only be permitted if it does not give rise to any other Substitution or Variation Event with respect to the Qualifying Notes.

In the Conditions, "**Qualifying Notes**" means securities that:

- (a) are issued by the Issuer or any wholly-owned direct or indirect finance subsidiary of the Issuer with a guarantee of such obligations by the Issuer;
- (b) rank and (save in the case of a direct issue by the Issuer) benefit from a guarantee that ranks in relation to the obligations of the Issuer under such securities and/or such guarantee (as the case may be), equally with the Notes and *pari passu* in a winding-up or liquidation of the Issuer with any Parity Obligations of the Issuer;
- (c) contain terms not materially less favourable to Holders than the terms of the Notes (as reasonably determined by the Issuer (in consultation with an independent investment bank, financial adviser or counsel of international standing)) and which:
  - (i) provide for the same or a more favourable Interest Rate from time to time as applied to the Notes immediately prior to such substitution or variation and preserve the same Interest Payment Dates;
  - (ii) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to principal and as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption;
  - (iii) preserve any existing rights under the Conditions to any accrued interest, any Deferred Interest Payments, any Arrears of Interest and any other amounts payable under the Notes which, in each case, has accrued to Holders and not been paid;
  - (iv) do not contain terms providing for the mandatory deferral of payments of interest and/or principal; and
  - (v) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares;
- (d) have, immediately after such substitution or variation, at least the same solicited credit rating(s) assigned by the same Rating Agency or Rating Agencies as may have been assigned to the Notes at the invitation of or with the consent of the Issuer immediately prior to such substitution or variation (if any); and
- (e) are (i) listed on the Official List and admitted to trading on the London Stock Exchange plc's Main Market or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer.

For the purposes of the definition of Qualifying Notes:

“**Official List**” means the Official List of the Financial Conduct Authority acting under Part VI of the Financial Services and Markets Act 2000; and

“**Recognised Stock Exchange**” means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time.

## **8 Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation**

Prior to the publication of any notice of redemption pursuant to Condition 6 (*Redemption*) (other than redemption pursuant to Conditions 6(b) or 6(c)) or any notice of substitution or variation pursuant to Condition 7 (*Substitution or Variation*), the Issuer shall deliver to the Trustee a certificate in form and substance satisfactory to the Trustee signed by two authorised signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied, and where the relevant Special Event requires measures reasonably available to the Issuer to be taken, the relevant Special Event cannot be avoided by the Issuer taking such measures. In relation to a substitution or variation pursuant to Condition 7 (*Substitution or Variation*), such certificate shall also include further certifications that the criteria specified in paragraphs (a) to (d) of the definition of Qualifying Notes will be satisfied by the Qualifying Notes upon issue and that such determinations were reached by the Issuer in consultation with an independent investment bank, financial adviser or counsel of international standing. In the case of a redemption pursuant to Condition 6(h) or substitution or variation pursuant to Condition 7 (*Substitution or Variation*), as the case may be, as a result of the occurrence of an Accounting Event, such certificate will also be accompanied by a letter or report from a recognised accountancy firm, acting upon instructions of the Issuer, stating that an Accounting Event has occurred. The Trustee may rely absolutely upon and shall be entitled to accept such authorised signatories’ certificate, opinion, letter or report as applicable without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out in such paragraphs in which event it shall be conclusive and binding on the Holders and the Couponholders.

Any redemption of the Notes in accordance with Condition 6(b), 6(c), 6(d), 6(e), 6(f), 6(g) or 6(h) or any substitution or variation of the Notes in accordance with Condition 7 shall be conditional on all outstanding Arrears of Interest being paid in full in accordance with the provisions of Condition 5 (*Optional Interest Deferral*) on or prior to the date thereof, together with any accrued and unpaid interest up to (but excluding) such redemption date.

The Trustee is under no obligation to ascertain whether any Special Event or Change of Control Event or Change of Control or any event which could lead to the occurrence of, or could constitute, any such Special Event, Change of Control Event or Change of Control, has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no such Special Event, Change of Control Event or Change of Control or such other event has occurred.

## **9 Purchases and Cancellation**

### **(a) Purchases**

The Issuer or any of its Subsidiaries may at any time purchase or procure others to purchase beneficially for its account Notes in any manner and at any price. In each case, purchases will be made together with all unmatured Coupons and Talons appertaining thereto. The Notes so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the Holder to vote at any meetings of the Holders or otherwise exercise any voting rights and shall not be deemed to be outstanding for the

purposes of calculating quorums at meetings of the Holders or for voting on any Extraordinary Resolution or for the purposes of Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*).

**(b) Cancellation**

All Notes redeemed or substituted by the Issuer pursuant to Condition 6 (*Redemption*) or 7 (*Substitution or Variation*), as the case may be, (together with all unmatured Coupons and unexchanged Talons relating thereto) will forthwith be cancelled. All Notes purchased by the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation (together with all unmatured Coupons and all unexchanged Talons) to the Principal Paying Agent. Notes so surrendered shall be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

**10 Payments**

**(a) Method of Payment**

- (i) Payments of principal, premium and interest will be made against presentation and surrender of Notes or the appropriate Coupons (as the case may be) at the specified office of any of the Paying Agents except that payments of interest in respect of any period not ending on an Interest Payment Date will only be made against presentation and either surrender or endorsement (as appropriate) of the relevant Notes. Such payments will be made by transfer to a sterling account maintained by the payee with a bank in London.
- (ii) Upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Note is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (iii) On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Notes, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 13 (*Prescription*)).

**(b) Payments Subject to Fiscal Laws**

Payments made in accordance with the Conditions are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

**(c) Payments on Business Days**

A Note or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a sterling account, in London). No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition 10, “**business**

**day**” means a day on which commercial banks and foreign exchange markets are open in the relevant city.

## **11 Event of Default**

### **(a) Proceedings**

If a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, in each case in respect of the Notes and which is due (an “**Event of Default**”), then the Issuer shall without notice from the Trustee be deemed to be in default under the Trust Deed, the Notes and the Coupons and the Trustee at its sole discretion may, notwithstanding the provisions of Condition 11(b) but subject to Condition 11(c), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer, for such payment and give notice to the Issuer that the Notes are, and they shall immediately thereby become, due and payable at their principal amount together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest.

### **(b) Enforcement**

The Trustee may at its discretion (subject to Condition 11(c)) and without further notice institute such proceedings or take such steps or actions against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Notes or the Coupons but in no event shall the Issuer, by virtue of the institution of any such proceedings, steps or actions, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

### **(c) Entitlement of Trustee**

The Trustee shall not be bound to take any of the actions referred to in Condition 11(a) or 11(b) above against the Issuer to enforce the terms of the Trust Deed, the Notes or the Coupons or take any other action or step 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 principal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

### **(d) Right of Holders**

No Holder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed, institute, prove or claim, fails to do so within 60 days and such failure shall be continuing, in which case the Holder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 11.

### **(e) Extent of Holders’ remedy**

No remedy against the Issuer, other than as referred to in this Condition 11, shall be available to the Trustee (on behalf of the Holders) or the Holders or Couponholders, whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes, Coupons or under the Trust Deed.

## **12 Taxation**

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made without withholding or deduction for, or on account of, any present or future taxes or



duties of whatever nature (“**Taxes**”) imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as shall be necessary in order that the net amounts received by the Holders or the Couponholders after such withholding or deduction shall equal the respective amounts of principal, premium and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the United Kingdom; or
- (b) the Holder or Couponholder of which is liable for such Taxes in respect of such Note or Coupon by reason of its having some connection with the United Kingdom other than a mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder or Couponholder thereof would have been entitled to such Additional Amounts on presenting it for payment on the thirtieth day.

References in the Conditions to principal, premium, Interest Payments, Deferred Interest Payments, Arrears of Interest and/or any other amount in respect of interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes and the Coupons by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement).

### **13 Prescription**

Claims in respect of Notes and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within a period of 10 years in the case of Notes and five years in the case of Coupons from the Relevant Date relating thereto. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 13 or Condition 10(a)(ii).

### **14 Meetings of Holders, Modification, Waiver and Substitution**

The Trust Deed contains provisions for convening meetings (including meetings held through the use of any electronic platform) of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of the Notes, the Coupons, the Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Holders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Notes so held or represented.

The agreement or approval of the Holders shall not be required in the case of any variation of the Conditions and/or the Trust Deed required to be made in the circumstances described in Condition 7 (*Substitution or Variation*) in connection with the substitution or variation of the terms of the Notes so that they remain or become Qualifying Notes, and to which the Trustee has agreed pursuant to the relevant provisions of Condition 7 (*Substitution or Variation*).

An Extraordinary Resolution passed at any meeting of Holders will be binding on all Holders, whether or not they are present at the meeting, and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

The Trustee and the Issuer may agree, without the consent of the Holders or Couponholders, to any modification of the provisions of the Notes, the Coupons, the Conditions or of any other provisions of the Trust Deed or the Paying Agency Agreement which is in each case, in the opinion of the Trustee, not materially prejudicial to the interests of Holders or Couponholders (provided that the Trustee's power to agree such modification shall not extend to any provision entitling the Holders to institute proceedings for the winding-up of the Issuer which is more extensive than those set out in Condition 11 (*Event of Default*), which for the avoidance of doubt may only be sanctioned by Holders of the Notes by means of an Extraordinary Resolution) or is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification shall be binding on the Holders and the Couponholders and any such modification shall, unless the Trustee agrees otherwise, be notified to the Holders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter. The Trustee may also agree to any waiver or authorisation of any breach or proposed breach by the Issuer of any of the provisions of the Notes, the Coupons, the Conditions or of the provisions of the Trust Deed or the Paying Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders. Any such authorisation or waiver shall be binding on the Holders and the Couponholders and such modification shall be notified to the Holders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.

Subject as provided in the Trust Deed, the Trustee, if it is satisfied that so to do would not be materially prejudicial to the interests of the Holders, may agree, without the consent of the Holders and Couponholders, to the substitution on a subordinated basis equivalent to that referred to in Conditions 2 (*Status*) and 3 (*Subordination*) of certain other entities (and such entity, a "**Substituted Obligor**") in place of the Issuer (or any previous Substituted Obligor under this Condition) as principal debtor under the Trust Deed, the Notes and the Coupons. Any such substitution shall be binding on the Holders and the Couponholders and, unless the Trustee agrees otherwise, any such substitution shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 18 (*Notices*).

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interest of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Holders or Couponholders be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders or Couponholders except, in the case of the Issuer, to the extent provided for in Condition 12 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 12 (*Taxation*) pursuant to the Trust Deed.

## **15 Replacement of the Notes, Coupons and Talons**

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Holders, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before any replacement Notes, Coupons or Talons will be issued.

## **16 Indemnification of the Trustee and its Contracting with the Issuer**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction against all proceedings, claims and demands to which it may be liable and against all costs, charges, liabilities and expenses which may be incurred by it in connection with such actions, including the cost of its management's time and/or other internal resources using its normal hourly rates in force from time to time.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Holders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **17 Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 13 (*Prescription*).

## **18 Notices**

All notices will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of the London Stock Exchange or of such other stock exchange on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders in accordance with this Condition 18.

## **19 Further Issues**

The Issuer may from time to time without the consent of the Holders or the Couponholders create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues, the amount of the first payment of interest on, and the principal amount of, such further Notes) and so that such further issue shall be consolidated and form a single series with the outstanding Notes. Any such Notes shall be constituted by a deed supplemental to the Trust Deed and application shall be made by the Issuer for such further Notes to be listed and admitted to trading on the stock exchange on which the Notes are from time to time listed or quoted.

## **20 Agents**

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that it will:

- (a) at all times maintain a Principal Paying Agent;
- (b) whenever a function expressed in the Conditions to be performed by the Agent Bank or by the Reset Reference Banks falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank and/or, as appropriate, Reset Reference Banks;
- (c) so long as the Notes are listed on the London Stock Exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the London Stock Exchange (or any other relevant authority); and
- (d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 18 (*Notices*). If any of the Agent Bank or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under the Conditions or the Paying Agency Agreement (as the case may be), the Issuer shall appoint an independent financial institution acceptable to the Trustee to act as such in its place. All calculations and determinations made by the Agent Bank or the Principal Paying Agent in relation to the Notes shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Holders and the Couponholders.

## **21 Governing Law**

The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.

## **22 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999.

## **23 Definitions**

In the Conditions:

“**Accounting Event**” means that, as a result of a change in accounting principles or methodology (or, in each case, the application thereof) after the issue date of the last Tranche of the Notes (the earlier of the date that the aforementioned change is officially announced by the board or equivalent body of IFRS or officially adopted or put into practice, the “**Accounting Event Adoption Date**”), the Notes may not or may no longer be recorded as a “financial liability” in full in any of the consolidated financial statements of the Issuer pursuant to the application of IFRS or any other accounting standards that may replace IFRS or that the Issuer may adopt in the future for the preparation of its audited annual consolidated financial statements in accordance with United Kingdom company law, provided that an Accounting Event shall be deemed to have occurred on the relevant Accounting Event Adoption Date notwithstanding any later date on which such aforementioned change comes into effect or any transitional period between the relevant Accounting Event Adoption Date and the date on which such aforementioned change comes into effect;

“**Additional Amounts**” has the meaning given to it in Condition 12 (*Taxation*);

“**Agent Bank**” has the meaning given to it in the preamble to the Conditions;

“**Agents**” means the Principal Paying Agent, the Agent Bank and the Paying Agents or any of them;

“**Arrears of Interest**” has the meaning given to it in Condition 5(a);

“**authorised signatory**” means a director, company secretary, or any other person authorised by the Board of Directors of the Issuer to provide certificates in relation to the Notes;

“**Benchmark Gilt**” has the meaning given to it in Condition 4(d);

“**Benchmark Gilt Quotations**” has the meaning given to it in Condition 4(d);

“**Benchmark Gilt Rate**” has the meaning given to it in Condition 4(d);

“**Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London;

“**Calculation Amount**” has the meaning given to it in Condition 4(b);

a “**Change of Control Event**” shall be deemed to occur if:

- (a) a Change of Control occurs; and
- (b) on the date (the “**Relevant Announcement Date**”) that is the earlier of (i) the date of the first public announcement of the relevant Change of Control and (ii) the date of the earliest Relevant Potential Change of Control Announcement (if any), any of the Issuer’s senior unsecured obligations (the “**Senior Unsecured Obligations**”) carry from any Rating Agency:
  - (i) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
  - (ii) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

- (iii) no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Senior Unsecured Obligations, provided that, if on the Relevant Announcement Date the Senior Unsecured Obligations carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (i) will apply; and
- (c) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

For the purposes of the definition of a Change of Control Event:

a “**Change of Control**” means the occurrence of an event whereby any person (being an individual, partnership, company, corporation, unincorporated organisation, trust or joint venture, or any governmental agency or political subdivision thereof) or any persons acting in concert (as defined in the City Code on Takeovers and Mergers) or any person or persons acting on behalf of any such person(s) (the “**Relevant Person**”) at any time directly or indirectly own(s) or acquire(s): (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the total voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of the Issuer (such event being a “**Change of Control**”), provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) *pro rata* interest in the share capital of the Relevant Person as such shareholders have or, as the case may be, had in the share capital of the Issuer;

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which any of the Senior Unsecured Obligations are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

“**Code**” has the meaning given to it in Condition 10(b);

a “**Compulsory Arrears of Interest Settlement Event**” shall have occurred if:

- (a) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Obligations, except where (A) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any employees’ stock option plans or share schemes of the Issuer or (B) the Issuer is obliged under the terms of such Junior Obligations or by mandatory operation of law to make such dividend, distribution or other payment; or
- (b) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Obligations, except where such dividend, distribution or payment was required to be declared, paid or made under the terms of such Parity Obligations or by mandatory operation of law; or
- (c) the Issuer has redeemed, repurchased or otherwise acquired any Junior Obligations, except where (A) such repurchase or acquisition was undertaken in respect of any employees’ stock option plans or share schemes of the Issuer or (B) the Issuer is obliged under the terms of such Junior Obligations or by mandatory operation of law to make such repurchase or acquisition; or
- (d) the Issuer, or any Subsidiary of the Issuer, has redeemed, repurchased or otherwise acquired any Parity Obligations, except where (i) such redemption, repurchase or acquisition is effected as a public cash tender offer or public exchange offer at a purchase price per security which is below its par value or (ii)

the Issuer, or any Subsidiary of the Issuer, is obliged under the terms of such Parity Obligations or by mandatory operation of law to make such redemption, repurchase or acquisition;

provided that a Compulsory Arrears of Interest Settlement Event shall not occur pursuant to paragraph (b) above in respect of any *pro rata* payment of deferred or arrears of interest on any Parity Obligations which is made simultaneously with a *pro rata* payment of any Arrears of Interest, provided that such *pro rata* payment deferred or arrears of interest on any such Parity Obligations is not proportionately more than the *pro rata* settlement of any such Arrears of Interest;

“**Conditions**” has the meaning given to it in the preamble hereof;

“**Coupon**” has the meaning given to it in the preamble to the Conditions;

“**Couponholder**” has the meaning given to it in the preamble to the Conditions;

“**Deferred Interest Payment**” has the meaning given to it in Condition 5(a);

“**Determination Agent**” means an investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee;

“**equity credit**” means, in respect of a Rating Agency, equity credit or such other nomenclature that such Rating Agency may use to describe the degree to which an instrument exhibits the characteristics of an ordinary share;

“**Event of Default**” has the meaning given to it in Condition 11(a);

“**First Fixed Interest Rate**” has the meaning given to it in Condition 4(c);

“**First Reset Date**” means 21 May 2030;

“**Gross Redemption Yield**” means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper “*Formulae for Calculating Gilt Prices from Yields*”, page 4, Section One: Price/Yield Formulae “*Conventional Gilts*”; “*Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*” (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places);

“**Holder**” has the meaning given to it in the preamble to the Conditions;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**Interest Payment**” means, in respect of an interest payment on an Interest Payment Date, the amount of interest payable on the presentation and surrender of the Coupon for the relevant Interest Period in accordance with Condition 4 (*Interest Payments*);

“**Interest Payment Date**” means 21 May and 21 November in each year, commencing on (and including) 21 November 2024;

“**Interest Period**” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Interest Rate**” means the First Fixed Interest Rate and/or each Subsequent Fixed Interest Rate, as the case may be;

“**Issue Date**” has the meaning given to it in Condition 4(a);

“**Issuer**” has the meaning given to it in the preamble to the Conditions;

“**Junior Obligations**” means: (a) (i) all classes of share capital of the Issuer (including preference shares (if any)) and (ii) any subordinated obligations of the Issuer, issued directly or indirectly by it, other than the Notes and any Parity Obligations; and (b) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with (A) any class of share capital of the Issuer and (B) any subordinated obligations of the Issuer, other than the Notes and any Parity Obligations;

*For the avoidance of doubt, Junior Obligations include the Issuer’s outstanding £450,000,000 Subordinated Resettable Fixed Rate Notes due 2075 (ISIN: XS1216019585).*

“**Mandatory Settlement Date**” means the earliest of:

- (a) the 10th Business Day following the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- (b) the next scheduled Interest Payment Date on which the Issuer pays interest on the Notes;
- (c) the date on which the Notes are redeemed or repaid in accordance with Condition 3 (*Subordination*), Condition 6 (*Redemption*) or Condition 11 (*Event of Default*); and
- (d) the date which is five years from the earliest Interest Payment Date on which any Deferred Interest Payment forming part of the outstanding Arrears of Interest was (but for the operation of Condition 5(a)) scheduled to be paid;

“**Margin**” has the meaning given to it in Condition 4(d);

“**Maturity Date**” means 21 May 2055;

“**Next Par Call Date**” shall mean the Maturity Date or (if earlier) the next occurring Par Call Date;

“**Notes**” has the meaning given to it in the preamble to the Conditions;

“**Par Call Date**” has the meaning given to it in Condition 6(b);

“**Parity Obligations**” means (if any) (a) any obligations of the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Notes and (b) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Notes;

“**Paying Agency Agreement**” has the meaning given to it in the preamble to the Conditions;

“**Paying Agents**” has the meaning given to it in the preamble to the Conditions;

“**penny**”, “**£**” or “**sterling**” means the lawful currency of the United Kingdom;

“**Principal Paying Agent**” has the meaning given to it in the preamble to the Conditions;

“**Qualifying Notes**” has the meaning given to it in Condition 7 (*Substitution or Variation*);

“**Rating Agency**” means S&P Global Ratings UK Limited (“**S&P**”) or any of its subsidiaries and their successors or Moody’s Investors Service Limited or any of its subsidiaries and their successors or any rating agency substituted for any of them (or any permitted substitute of them) by the Issuer from time to time;

a “**Rating Methodology Event**” shall be deemed to occur if the Issuer has received, and confirmed in writing to the Trustee that it has so received, confirmation from any Rating Agency of a change in its equity credit criteria which becomes effective on or after the issue date of the last Tranche of the Notes (or, if later, effective



after the date on which the Notes are assigned equity credit by a Rating Agency for the first time) and as a result of which, but not otherwise:

- (i) all or any of the Notes will no longer be eligible (or, if the Notes have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit from such Rating Agency in part or in full as a result, all or any of the Notes would no longer have been eligible as a result of such change in equity credit criteria had they not been re-financed) for the same, or a higher amount of, equity credit as was attributed to the Notes at the issue date of the last Tranche of the Notes (or if equity credit is not assigned to the Notes by the relevant Rating Agency on the issue date of the last Tranche of the Notes, at the date on which equity credit is assigned by such Rating Agency for the first time); or
- (ii) the length of time the Notes are assigned a particular level of equity credit by such Rating Agency is shortened as compared to the length of time they were assigned that level of equity credit by such Rating Agency under its prevailing methodology on the issue date of the last Tranche of the Notes, (or if equity credit is not assigned to the Notes by the relevant Rating Agency on the issue date of the last Tranche of the Notes, at the date on which equity credit is assigned by such Rating Agency for the first time);

**“Reference Bond”** means a United Kingdom government security selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes to the Next Par Call Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in sterling and of a comparable maturity to the remaining term of the Notes to the Next Par Call Date;

**“Reference Date”** will be set out in the relevant notice of redemption;

**“Relevant Date”** means (a) in respect of any payment other than a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such due date, the Relevant Date means the date on which the full amount of such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 18 (*Notices*), and (b) in respect of a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

**“Relevant Potential Change of Control Announcement”** means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting thereto relating to any potential Change of Control provided that within 180 days following the date of such announcement or statement, a Change of Control occurs;

**“Reset Date”** means the First Reset Date and each date falling on the fifth anniversary of the First Reset Date;

**“Reset Interest Determination Date”** has the meaning given to it in Condition 4(d);

**“Reset Period”** means the period from one Reset Date to (but excluding) the next following Reset Date;

**“Reset Reference Banks”** has the meaning given to it in Condition 4(d);

**“Senior Obligations”** means all obligations of the Issuer, issued directly or indirectly by it, other than Parity Obligations and Junior Obligations;

**“Special Event”** means any of an Accounting Event, a Rating Methodology Event, a Substantial Repurchase Event, a Tax Deductibility Event or a Withholding Tax Event or any combination of the foregoing;

“**Subsequent Fixed Interest Rate**” has the meaning given to it in Condition 4(d);

“**Subsidiary**” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006;

a “**Substantial Repurchase Event**” shall be deemed to occur if prior to the giving of the relevant notice of redemption the Issuer repurchases (and effects corresponding cancellations) Notes in respect of 75 per cent. or more in the principal amount of the Notes initially issued (which shall for this purpose include any further Notes issued pursuant to Condition 19 (*Further Issues*));

“**Substituted Obligor**” has the meaning given to it in Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*);

“**Substitution or Variation Event**” has the meaning given to it in Condition 7 (*Substitution or Variation*);

“**Talons**” has the meaning given to it in the preamble to the Conditions;

a “**Tax Deductibility Event**” shall be deemed to have occurred if as a result of a Tax Law Change:

- (a) in respect of the Issuer’s obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in the United Kingdom (whether in respect of corporation tax, multinational top-up tax, domestic top-up tax or otherwise), or such entitlement is materially reduced; or
- (b) in respect of the Issuer’s obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would not to any material extent be entitled to have such deduction set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the issue date of the last Tranche of the Notes or any similar system or systems having like effect as may from time to time exist),

and, in each case, the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it;

“**Tax Law Change**” means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which the United Kingdom is a party, or any change in the application of official or generally published or accepted interpretation of such laws or regulations, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority or by the Organisation for Economic Co-operation and Development (or any successor thereto) that provides for a position with respect to such laws or regulations or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes, or would become, effective on or after the issue date of the last Tranche of the Notes;

“**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading);

“**Trust Deed**” has the meaning given to it in the preamble to the Conditions;

“**Trustee**” has the meaning given to it in the preamble to the Conditions;

“**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland; and

a “**Withholding Tax Event**” shall be deemed to occur if as a result of a Tax Law Change, in making any payments on the Notes, the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts on the Notes and the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it.

*The following italicised paragraphs do not form part of the Conditions.*

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will redeem or repurchase the Notes, it will so redeem or repurchase the Notes only to the extent that the aggregate principal amount of the Notes to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P at the time of sale or issuance, an aggregate equity credit that is equal to or greater than the equity credit assigned to the Notes to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes), unless:*

- (i) the credit rating or the stand-alone credit profile assigned by S&P to the Issuer is at least the same as or higher than the credit rating or stand-alone credit profile assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancing without net new issue) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*
- (ii) in the case of a repurchase or redemption, taken together with relevant repurchases or redemptions of hybrid securities issued directly or indirectly by the Issuer, such repurchase or redemption is less than (x) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months, or (y) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 10 consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile; or*
- (iii) the Notes are not assigned an equity credit at the time of such redemption or repurchase; or*
- (iv) the Notes are redeemed pursuant to a Tax Deductibility Event, a Withholding Tax Event, an Accounting Event, a Rating Methodology Event or a Change of Control Event; or*
- (v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology; or*
- (vi) such repurchase or redemption occurs on or after 21 May 2050.*

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Temporary Global Note and the Permanent Global Note will contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes as set out in this document. The following is a summary of certain of those provisions as they relate to the Notes:

### 1 Exchange

The Temporary Global Note is exchangeable in whole or in part for interests in the Permanent Global Note on or after a date which is expected to be 30 June 2024, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The Permanent Global Note is exchangeable in whole but not in part (free of charge to the Holder) for the definitive Notes described below if the Permanent Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. Thereupon the Holder may give notice to the Trustee and the Principal Paying Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below) specified in the notice.

On or after the Exchange Date, the Holder of the Permanent Global Note may surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note and a Talon for further Coupons), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Permanent Global Note, the Issuer will, if the Holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Notes.

“**Exchange Date**” means a day falling not less than 60 days after that day on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the city in which the relevant clearing system is located.

### 2 Payments

No payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal, premium and interest in respect of Notes represented by a Global Note will be made (subject as provided in the Conditions) against presentation for endorsement and, if no further payment falls to be made, surrender of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Holders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Note, which endorsement will be *prima facie* evidence that such payment has been made. For the purpose of any payments made in respect of a Global Note, Condition 10(c) (*Payments on Business Days*) shall not apply, and all such payments shall be made on a day on which commercial banks and foreign exchange markets are open in London.

### 3 Interest Calculation

Notwithstanding the provisions of Condition 4 (*Interest Payments*), for so long as Notes are represented by one or both of the Global Notes, interest payable to the Holder of a Global Note will be calculated on the aggregate

principal amount of the Notes and not per Calculation Amount (as defined in Condition 4 (*Interest Payments*)) (and shall otherwise be calculated in accordance with Condition 4 (*Interest Payments*)).

#### **4 Notices**

Notwithstanding Condition 18 (*Notices*), so long as the Notes are represented by the Permanent Global Note and such Permanent Global Note is held on behalf of a clearing system, notices to Holders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions. Any such notice shall be deemed to have been given to the Holders on the same day on which such notice is delivered to the clearing systems as aforesaid.

#### **5 Prescription**

Claims against the Issuer in respect of principal, premium and interest on the Notes while the Notes are represented by the Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal and premium) and five years (in the case of interest) from the Relevant Date (as defined in the Conditions).

#### **6 Purchase and Cancellation**

Cancellation of any Note represented by the Permanent Global Note which is required by the Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the principal amount of the Permanent Global Note.

#### **7 Trustee's Powers**

In considering the interests of Holders while the Permanent Global Note is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Permanent Global Note and may consider such interests as if such accountholders were the holders of the Permanent Global Note.

#### **8 Electronic Consent**

While any Global Note is held on behalf of a relevant Clearing System, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in Outstanding Principal Amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Trust Deed) shall take effect as an Extraordinary Resolution passed at a meeting of Holders duly convened and held, and shall be binding on all Holders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, (a) by accountholders in the clearing system(s) with entitlements to such Global Note and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued

by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Holders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## **USE OF PROCEEDS**

The net proceeds of the issuance of the Notes (amounting to approximately £403,177,500) will be used for the general corporate purposes of the Issuer and the Group.

## **DESCRIPTION OF THE ISSUER**

The legal and commercial name of the Issuer is Centrica plc. The Issuer was registered and incorporated in England and Wales under registration number 03033654 and operates under the Companies Act 2006, as amended from time to time, as a public limited company. The Issuer was incorporated on 16 March 1995 and its shares were first traded on the London Stock Exchange on 17 February 1997. The Issuer's registered office is located at Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD and the telephone number is 01753 494 000.

The Issuer is the parent company of the Group, which comprises the Issuer and all its Subsidiaries. As the parent company of the Group, the Issuer is dependent on receiving dividends and revenues from its Subsidiaries.



## DIRECTORS AND SENIOR MANAGEMENT OF THE ISSUER

The directors and senior management of the Issuer, their position and principal activities outside the Group, where those are significant, are as follows as at the date of this Prospectus:

### Centrica plc Board of Directors

Name	Position	Outside Directorships/Activities
Scott Wheway	Chair	Non-Executive Director, Lloyds Banking Group plc Chair, Scottish Widows Group
Chris O'Shea	Group Chief Executive	None
Russell O'Brien	Group Chief Financial Officer	None
Carol Arrowsmith	Independent Non-executive Director	Director and Trustee, Northern Ballet Limited
Philippe Boisseau	Independent Non-executive Director	Senior advisor, OMERS Senior advisor, Infrastructure, Ondra Partners Senior advisor, Sibanye-Stillwater Limited
Nathan Bostock	Independent Non-executive Director	None
Chanderpreet (CP) Duggal	Independent Non-executive Director	None
Jo Harlow	Independent Non-executive Director	Non-executive Director and Chair of Remuneration Committee, J Sainsbury plc Senior independent director and Chair of Remuneration Committee, Halma plc Non-executive Director, Chapter Zero Ltd
Heidi Mottram	Independent Non-executive Director	Chief Executive Officer, Northumbrian Water Limited and Northumbrian Water Group Limited Board member, the Great British Railways Transition Team

### Centrica plc Board of Directors

<b>Name</b>	<b>Position</b>	<b>Outside Directorships/Activities</b>
Kevin O'Byrne	Senior Independent Director	Non-executive Director, International Flavors & Fragrances Inc.
Amber Rudd	Independent Non-executive Director	Non-executive Director, Pinwheel Advisor to businesses including Energy1, Equinor, FGS Global, Centreview Partners and Phoenix Group Trustee, the Climate Group and Royal United Services Institute
Sue Whalley	Independent Non-executive Director	Chief People and Performance Officer, Associated British Foods plc

### Centrica plc Senior Management

<b>Name</b>	<b>Position</b>	<b>Outside Directorships/Activities</b>
Jill Shedden	Chief People Officer	Non-Executive Director, Thames Water Utilities Limited
Raj Roy	Group General Counsel & Company Secretary	Member of the Board, Energy UK, representing Centrica Member of the Board of General Counsel for Diversity and Inclusion

The business address of the directors and the senior management (as described above) of the Issuer is c/o Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD. There are no potential conflicts of interest between the duties to the Issuer of the directors or the senior management (as described above) of the Issuer and their private interests and/or other duties.

## DESCRIPTION OF THE CENTRICA GROUP

### Background and Formation

The Issuer is an integrated energy services and solutions company. It supplies electricity and gas, and energy related services to households and businesses in the UK and Ireland. In addition, the Group's CE business provides energy risk management services for the Group, provides a route-to-market for owned and third-party energy assets, and trades a range of energy commodities across Europe and LNG globally. It also owns and operates the UK's largest gas storage facility, Rough, owns a controlling 69 per cent. interest in Spirit Energy, a UK and Netherlands based gas production business, and a 20 per cent. interest in the UK's operational nuclear fleet.

The Issuer was listed in 1997 following a demerger from British Gas plc. The gas sales and trading, services and retail business of British Gas plc, together with the gas production business of the North and South Morecambe gas fields, were transferred to the Issuer, which maintains the British Gas retail brand. The Group at the time comprised British Gas Trading Limited, British Gas Services Limited, British Gas Energy Centres Limited and Accord Energy Limited, together with the Morecambe gas field production activities owned through Hydrocarbon Resources Limited and various other subsidiaries.

Since 1997, the Group has made numerous acquisitions and disposals and has developed organically. As of 31 December 2023, the Group had a total gross revenue from business performance of £33,374 million (as described on page 127 of the annual report of the Issuer for the year ended 31 December 2023 incorporated by reference in this Prospectus) and, during 2023, employed an average of 21,014 people. The principal operations of the Group as at the date of this Prospectus are described briefly below.

### The Group's Strategy and Structure

#### Purpose and Strategy

The Issuer is an integrated energy company operating in the retail, optimisation and infrastructure sectors. In July 2023, the Group introduced a refreshed strategy, which is focused on creating value through the energy transition. The Group's strategy is underpinned by the core purpose of energising a greener and fairer future for its colleagues, customers and communities and fulfils this purpose by focussing on the following core goals:

1. delivering sustainable earnings from the Group's core businesses;
2. investing for longer-term value and growth; and
3. delivering attractive shareholder returns.

The ability of the Issuer to deliver on this strategy is subject to a number of risks. Please see the section of this Prospectus entitled "*Risk Factors*" for further information.

#### Group Structure

In 2020, the Issuer launched a group restructure to simplify the Group, which is now complete and divides the Group into three segments: (1) the Retail businesses, including British Gas Services & Solutions, British Gas Energy and Bord Gáis Energy, (2) the Optimisation businesses, CBS and CE, and (3) the Upstream Infrastructure segment, which includes interests in gas production, gas storage and nuclear power generation. These segments, and their principal activities, are summarised further below.

#### ***Retail***

British Gas Energy is a national supplier of gas and electricity to customers in Britain's domestic and business market, predominantly under the British Gas brand. British Gas Energy is regulated by Ofgem and the majority of its domestic customers are now dual fuel customers. As of 31 December 2023, British Gas Energy supplied gas and/or electricity to over 7.5 million domestic customers, and to over 650,000 business customer sites.

As of 31 December 2023, British Gas Services & Solutions served over 2.9 million customers by providing a range of energy-related installation, maintenance and repair services in England, Scotland, and Wales. Many of such services are provided in connection with insurance products sold by British Gas Services Limited on behalf of British Gas Insurance Limited.

British Gas Insurance Limited is an insurer which is authorised by the PRA and regulated by the FCA and the PRA to carry out certain regulated activities. British Gas Services Limited is authorised and regulated by the FCA and sells predominantly insurance-based service and repair products. The services provided include maintenance and repair contracts and on-demand services for central heating, plumbing and drains, home electrics or kitchen appliances. It owns the franchise business Dyno-Rod, a UK drain specialist as well as its related plumbing business, and it owns the PH Jones business through British Gas Social Housing Limited, which provides services to social housing landlords. In addition, British Gas Services & Solutions is one of the UK's largest national installers of domestic central heating boilers and systems through British Gas New Heating Limited. Through the Hive brand, it also sells and installs a range of smart home products, including EV charging points and smart thermostats.

In June 2014, the Group acquired Bord Gáis Energy in the Republic of Ireland which comprised a gas and electricity supply business and the Whitegate gas-fired power station of Bord Gáis Energy in the Republic of Ireland, for €214 million (approximately £172 million). The transaction provided a vertically integrated energy supply business in an adjacent downstream market to the UK and a platform for growth. As at 31 December 2023, the business had approximately 500,000 customers.

In 2022, in line with the efforts to increase security of supply and promote decarbonisation in the Republic of Ireland, the Group took an investment decision to develop two 100 MW flexible gas peaking plants in Athlone and Dublin. The expected cost of this project is around €300 million. The Group expects these plants to be commissioned during 2025.

### ***Optimisation, CBS and CE***

CBS supplies gas and electricity to larger business customers in the UK and supplies energy services and solutions to large organisations in all geographies in which the Group operates, as well as engaging in the development and operation of large-scale power assets in the UK. As of 31 December 2023, it supplied approximately 830,600 supply points. CBS also provides integrated energy solutions and onsite generation options to businesses. In addition, CBS operates a portfolio of flexible generation and storage assets, including a 49MW battery storage facility at Roosecote and a former 49MW gas-peaking plant at Brigg, which is being developed for battery storage and used for hydrogen energy trials. Further flexible generation and storage projects are under construction as at the date of this Prospectus.

CE is responsible for the procurement, trading and optimisation of energy in the UK and Europe, as well as for the global procurement and sale of LNG. It also sources energy on behalf of the Group's energy supply and services operations in the UK. To do this, it uses a combination of the Group's long-term procurement contracts and short-term arrangements to balance energy supplies and customer demand and to optimise the price paid by the Group. To offset adverse fluctuations in prices, the Group also enters into various hedging agreements, including gas storage, and utilises over the counter and exchange-traded instruments to optimise the prices paid by the Group.

CE's trading activity covers long-term to short-term gas and power markets and certificates. CE provides hedging and optimisation strategies, as well as a route-to-market, for customers with decentralised generation assets. In addition, CE's trading activity provides real time optimisation and flexibility on European gas markets. The acquisition of Denmark-based Neas Energy A/S (**Neas**) in 2016 helped the Group to accelerate its route-to-market offering, providing asset owners with access to wholesale commodity markets, which complements optimisation activity in distributed energy & power. In 2019, Neas changed its company name to Centrica Energy Trading A/S as it became fully integrated with CE.

CE also has a global presence in LNG and currently has various long-term LNG supply contracts including with Sabine Pass Liquefaction LLC. To support its offtake commitments, CE has entered into seven-year charters (plus extension rights) for two LNG vessels with Gaslog Ltd (Gaslog Windsor and Gaslog Westminster), which commenced in 2019.

CE has also added to its global LNG portfolio. For example, in July 2023, CE signed a 15 year agreement with Delfin LNG LLC to take 1 million tonnes of LNG, free on board, from their proposed floating facility in the Gulf of Mexico. Volumes are expected to commence towards the end of this decade.

### ***Upstream Infrastructure***

The Group's upstream infrastructure segment is involved with the production and processing of gas and liquids via the Group's controlling 69 per cent. stake in Spirit Energy, which was formed in 2017 by combining Centrica's E&P business with that of Bayerngas Norge and Centrica Energy Storage Limited ("**Centrica Storage**"). Additionally,

the Group is involved with the sale of power generated from nuclear assets in the UK, primarily from its 20 per cent. stake in Lake, which indirectly owns 100 per cent. of ENGL, the owner of five operational nuclear power stations in the UK with a total capacity of 5.9 gigawatts.

Spirit Energy's principal gas producing fields are Cygnus, South and North Morecambe, Rhyl and Chiswick, with Spirit Energy operating "the Morecambe Hub" of North Morecambe, South Morecambe and Rhyl; the Morecambe Hub is supported by the Barrow Gas Terminals to process gas from all the fields before entry into the National Transmission System. In May 2022, the Group divested Spirit Energy's entire Norwegian portfolio, excluding the Statfjord fields, to Sval Energi and the Statfjord fields to Equinor, as part of its decarbonisation strategy. Spirit Energy is re-focusing its remaining assets towards energy transition opportunities and decommissioning activities.

In October 2022, it was announced that Centrica Storage's Rough asset, which consists of two offshore installations and a terminal located in Easington, Yorkshire, was operating as a gas storage facility again, having been producing indigenous gas and associated liquids since 2018. From 3 August 2022 until 1 April 2030, the Rough facility has been and will continue to be exempt from the obligation to provide third-party access to the facility.

Furthermore, in August 2018, the Tolmount joint venture and infrastructure partners (Premier Oil, Dana Petroleum, and Humber Gathering System Limited) awarded Centrica Storage a contract to process gas from the Tolmount field in the Southern North Sea. The contract will keep Centrica Storage's gas terminal at Easington operational for the foreseeable future.

In May 2023, Spirit Energy extended the operational life of the Morecambe Bay area at least into the 2030s when it was awarded a carbon storage licence for the South and North Morecambe reservoirs.

### People and Planet

In 2023, the Centrica board adopted a refreshed People & Planet Plan focussing on delivering outcomes for the Group's colleagues, customers and investors. This Plan consists of five Group-wide goals that accelerate action on core business and societal issues. These goals are:

1. to create an engaged team that reflects the full diversity of the communities the Group serves;
2. to recruit 3,500 apprentices by 2030 (2,500 by the end of 2025) and provide career development opportunities for under-represented groups;
3. to give 100,000 volunteer days by 2030 (35,000 by the end of 2025);
4. to help the Group's customers achieve net zero carbon emissions by 2050 (28 per cent. reduction in greenhouse gas emission intensity by the end of 2030); and
5. to be a net zero business by 2045 (40 per cent. reduction in greenhouse gas emission intensity by the end of 2034).

In 2023, the Group made good progress towards achieving the majority of these goals. Additionally, following the publication of the British Gas Net Zero Homes Index, in March 2023, British Gas Energy announced the creation of a new business division focussed on supporting customers with their journey to net zero by providing them with the tools and services to use energy more efficiently. These include new in-home energy efficiency consultations, the installation of new Hive EV chargers and additional home insulation services.

### Projects and Acquisitions

During 2023, CBS acquired a number of companies with existing grid connections for the purpose of building power assets in line with the Group's strategy of being a flexible energy provider, including the 18MW Codford solar farm, which began commercial operations.

In March 2023, the Group announced that the Heysham 1 and Hartlepool nuclear power stations were to have their lives extended by two years to March 2026 (plus or minus one year) in order to provide additional zero carbon baseload power generation capacity. Additionally, in January 2024, the Group announced its ambition to further extend the lives of Heysham 1 and Hartlepool and the other two advanced gas-cooled reactor power stations, Heysham 2 and Torness, subject to inspections and regulatory approvals. A decision on these further extensions will be taken by the end of 2024.

On 25 March 2024, the Group announced that it had made two major acquisitions in south-west England. Firstly, the Group acquired development rights for the construction of a 16MW solar farm and a 3MW battery storage plant near Winterborne Whitechurch in Dorset. Once operational, the site will be able to power 4,600 homes a year. The site is expected to deliver its first supply to the National Grid in 2025. Secondly, the Group acquired the operational Roundponds site in Wiltshire, a 13MW solar farm commissioned in 2015 and capable of providing energy for around 3,200 homes annually.

On 11 April 2024, the Group announced that it had signed a ten-year Power Purchase Agreement with STMicroelectronics for the supply of renewable energy to its operations in Italy. The agreement is based on the sale by the Group of approximately 61 GWh of renewable energy per year, produced by a new solar farm in Italy and starting from January 2025.

The Group is now focused on implementing its Green Focused Investment Strategy through investment across customer solutions, security of supply and flexible and green electricity generation. The Group aims to deploy between £600 million and £800 million each year until at least 2028, primarily investing in secure and flexible supply, renewable generation and the Group's customers. As of March 2024, the Group has 750MW of capacity in the detailed plans and delivery stage, compared to 600MW in July 2023.

The Group has also begun deploying capital into the installation of smart meters as part of its meter asset provider business, with the first British Gas Energy smart meter installed in December 2023.

The Group is also looking to early-stage technologies which may play a larger role in the energy transition in the future. In addition to the Group's existing involvement in three hydrogen and hydrogen-ready joint ventures in the UK and Ireland, in November 2023, it was announced that the Group had signed a memorandum of understanding with Mitsubishi Power Europe to explore development of Europe's first ever ammonia-fired power generation facility at the Whitegate site in Ireland. Through its Rough and Spirit Energy assets, and subject to the appropriate regulatory frameworks being in place in the future, the Group retains net-zero aligned optionality for potential hydrogen and carbon capture investments and continues to consider potential investment in new-build nuclear projects.

#### Dividend Policy and Share Repurchase Programme

The Group currently operates a progressive dividend policy. In July 2023, the Group announced an interim dividend of 1.33 pence per share and, in February 2024, proposed a final dividend of 2.67 pence per share, which is subject to shareholder approval at the Company's annual general meeting scheduled for 5 June 2024. If approved, it will result in a total full year dividend of 4.0 pence per share for its financial year ended 31 December 2023.

The Group also commenced a share repurchase programme in November 2022, in line with its approach to return structural surplus capital to shareholders, which programme was subsequently extended in July 2023. In total, since the commencement of the programme, the Issuer has completed the purchase of 680,418,708 shares, equal to approximately 8.6 per cent. of the issued ordinary share capital as at 17 April 2024, for a total purchase price of £ 822,662,099.

## TAXATION

### General

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer or further issues of securities that will form a single series with the Notes, and do not address the consequences of any such substitution or further issue (notwithstanding that such substitution or further issue may be permitted by the terms and conditions of the Notes). Any Holders who are in doubt as to their own tax position should consult their professional advisers.

### United Kingdom Taxation

*The following is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs' practice, which may not be binding upon HMRC and are subject to change (possibly with retrospective effect), in each case at the latest practicable date before the date of this Prospectus. The comments relate to certain aspects of United Kingdom taxation. References to "interest" refer to interest as that term is understood for United Kingdom tax purposes. The comments relate only to the position of persons who are the absolute beneficial owners of their Notes and some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.*

#### *A. Payments of interest on the Notes*

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. The Notes will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without deduction of or withholding on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

If Notes are issued at a discount to their principal amount (i.e., at an issue price of less than 100 per cent. of their principal amount), any repayments of principal (including the discount element) on any such Notes should generally not be subject to any UK withholding tax. If Notes are issued on terms that a premium is or may be payable on redemption, as opposed to being issued at a discount then, depending upon the circumstances, any such element of premium may constitute a payment of interest for UK tax purposes. In that event, payments thereof would be subject to the treatment outlined in the paragraphs above.

## **FATCA Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



## SUBSCRIPTION AND SALE

Barclays Bank PLC, J.P. Morgan Securities plc, NatWest Markets Plc, Société Générale, Goldman Sachs International and UBS AG London Branch (together, the “**Bookrunners**”) have, pursuant to a Subscription Agreement dated 17 May 2024 (the “**Subscription Agreement**”), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes at 100 per cent. of the principal amount of the Notes, plus accrued and unpaid interest (if any) less certain fees and commissions.

The Issuer has also agreed to reimburse the Bookrunners for certain of their expenses, and has agreed to indemnify the Bookrunners against certain liabilities, incurred in connection with the issue of the Notes.

The Bookrunners are entitled to terminate the Subscription Agreement in certain circumstances prior to payment to the Issuer.

### United States

The Notes have not been and will not be registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

Each Bookrunner has agreed that it will not offer, sell or deliver the Notes, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the date of issue of the Notes (the “**Distribution Compliance Period**”) within the United States or to, or for the account or benefit of, U.S. persons, and, prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or other person to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any Bookrunner (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by U.S. Internal Revenue Code of 1986, as amended and Treasury regulations promulgated thereunder.

### Prohibition of sales to EEA Retail Investors

Each Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the EEA. For the purposes of this provision:

- a) the expression “**retail investor**” means a person who is one (or both) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

## **United Kingdom**

### ***Prohibition of sales to UK Retail Investors***

Each Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the UK. For the purposes of this provision:

- a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA.

### ***Other regulatory restrictions***

Each Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

## **Singapore**

Each Bookrunner has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Bookrunner has represented, warranted and agreed that it has not offered or sold the Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”), pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Bookrunner has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Prospectus or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the “**Prospectus Regulation**”) and any application provision of Legislative Decree No. 58 of 24 February 1998 (as amended) (the “**Financial Services Act**”) and Italian CONSOB regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999 (as amended from time to time) and the applicable Italian laws.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993 (as amended) (the “**Banking Act**”); and
- (ii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy (as amended from time to time)) and/or any other Italian authority.

## **Canada**

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

## **General**

Neither the Issuer nor any Bookrunner has made any representation that any action will be taken in any jurisdiction by the Bookrunners or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Issuer and the Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or

deliver the Notes or have in their possession or distribute such offering material, in all cases at their own expense.

Each Bookrunner has agreed that it will, to the best of its knowledge, comply with all applicable securities laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense.

## GENERAL INFORMATION

### Authorisation

1. The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer passed on 24 April 2024.

### Listing

2. It is expected that admission of the Notes to the Official List and to trading on the Market will be granted on or about 22 May 2024, subject only to the issue of the Temporary Global Note. Application has been made to the FCA for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the Market. The total expenses related to the admission to trading of the Notes are estimated to be £6,850.

### Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue J.F. Kennedy, Luxembourg L-1855. The ISIN for the Notes is XS2815887372 and the Common Code is 281588737. The Financial Instrument Short Name (FISN) and the Classification of Financial Instruments (CFI) Code are as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN, as updated from time to time.
4. The Notes are not intended to be held in a manner which would allow Eurosystem eligibility. Whilst the designation is specified as “no” at the date of this Prospectus, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

### No Significant or Material Adverse Change

5. There has been no significant change in the financial performance or financial position of the Issuer or the Issuer and its subsidiaries since 31 December 2023. There has been no material adverse change in the prospects of the Issuer or of the Issuer and its subsidiaries since 31 December 2023.

### Litigation

6. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the 12 months preceding the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries.

## **Auditors**

7. Deloitte LLP, with its registered office at 1 New Street Square, London EC4A 3BZ and registered to perform audit work in the UK by the Institute of Chartered Accountants in England and Wales have audited, and rendered unqualified audit reports on, the annual consolidated published accounts of the Issuer and its Subsidiaries in accordance with International Standards on Auditing (UK) (“UK ISAs”) and applicable law for each of the financial years ended on 31 December 2022 and 31 December 2023. The audited consolidated financial statements of the Group have been prepared in accordance with UK ISAs and in conformity with the requirements of the Companies Act 2006. The auditors of the Issuer have no material interest in the Issuer.

## **U.S. Tax**

8. The Notes and (if issued) Coupons and Talons will contain the following legend: “ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

## **Documents Available**

9. For the term of this Prospectus, copies of the following documents will, when published, be available for inspection from <https://www.centrica.com/investors/debt-investors/>:
  - (a) the Articles of Association of the Issuer;
  - (b) the consolidated audited financial statements of the Issuer in respect of the two financial years ended 31 December 2023 and 31 December 2022 together with the audit reports prepared in connection therewith;
  - (c) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus; and
  - (d) the Trust Deed dated the Issue Date between the Issuer and the Trustee and the Paying Agency Agreement dated the Issue Date between the Issuer, the Trustee and the agents named therein.

## **Trustee’s Actions**

10. The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take and action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

## **Yield**

11. During the period from (and including) the Issue Date to (but excluding) the First Reset Date, the yield on the Notes will be 6.500 per cent. per annum on a semi-annual basis. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## Transactions with the Bookrunners

12. The Bookrunners and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with the Issuer and its affiliates and have performed, and may in the future perform, corporate finance and other services for the Issuer and its affiliates, in each case in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Each Bookrunner or its affiliates that have a lending relationship with the Issuer may routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Bookrunner and/or its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph, the word “**affiliate**” also includes parent companies.

**REGISTERED OFFICE OF THE ISSUER**

Centrica plc  
Millstream  
Maidenhead Road  
Windsor  
Berkshire SL4 5GD  
United Kingdom

**STRUCTURING AGENT TO THE ISSUER**

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**ACTIVE BOOKRUNNERS**

**Barclays Bank PLC**  
1 Churchill Place  
London E14 5HP  
United Kingdom

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**NatWest Markets Plc**  
250 Bishopsgate London  
E2CM 4 AA  
United Kingdom

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**PASSIVE BOOKRUNNERS**

**Goldman Sachs International**  
Plumtree Court  
25 Shoe Lane  
London EC4A 4AU  
United Kingdom

**UBS AG London Branch**  
5 Broadgate  
London EC2M 2QS  
United Kingdom

**TRUSTEE**

**The Law Debenture Trust Corporation p.l.c.**  
8th Floor  
100 Bishopsgate  
London EC2N 4AG  
United Kingdom

**PRINCIPAL PAYING AGENT**

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**PAYING AGENT**

**Citibank Europe plc**  
1 North Wall Quay  
Dublin 1  
Ireland



**LEGAL ADVISERS**

*To the Issuer*

**Slaughter and May**  
One Bunhill Row  
London EC1Y 8YY  
United Kingdom

*To the Bookrunners and the Trustee*

**Allen Overy Shearman Sterling LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

**REGISTERED AUDITORS OF THE ISSUER**

**Deloitte**

1 New Street Square  
London EC4A 3BZ  
United Kingdom