

Lord Carter of Barnes CBE

1 September 2014

Dear Stephen

**TERMS AND CONDITIONS OF YOUR APPOINTMENT AS A NON-EXECUTIVE  
DIRECTOR OF UNITED UTILITIES GROUP PLC (“the Company”)**

This letter sets out the terms and conditions that will govern your appointment as a non-executive director of the Company with effect from 1 September 2014. The appointment is subject to the articles of association of the Company and on the terms set out in this letter.

**Appointment**

These terms and conditions constitute a contract for services and not a contract of employment. In line with The UK Corporate Governance Code (“the Code”), you will be required to retire and seek re-election by shareholders on an annual basis at the Company’s AGM.

Your appointment will terminate if you are not reappointed as a director at an AGM unless the provisions of Article 81A are invoked, or if at any time you are removed as a director by a resolution passed by shareholders at a general meeting or, if you cease to be a director under the provisions of the articles of association.

The Board will undertake a rigorous review before reappointing any non-executive director beyond a period of six years as part of the individual performance evaluation and will take into account the need for progressive refreshing of the Board. On termination of your appointment (howsoever terminated), no entitlement to compensation for loss of office would be payable to you, and, at the request of the Company, you will be required to resign from your office as a director of the Company.

**Time Commitment**

By accepting the appointment you agree to commit to the Company sufficient time for the proper performance of your responsibilities and duties, given the nature of the role it is impossible to be specific about the maximum time commitment that will be required and in times of increased activity a greater time commitment may be necessary. This will include attendance at Board and Committee meetings, the AGM and other shareholder meetings, other *ad hoc* Board meetings (as required), travelling time and generally sufficient time for you to regularly update and refresh your skills, knowledge and familiarity with the Company. Currently it is proposed that the Board will hold eight scheduled meetings per annum. The meetings are normally held on the last Tuesday in the month in London although a number of meetings would normally be held in the North West of England.

**Committees**

You will be appointed to the following committees of United Utilities Group PLC: Audit, Nomination and Corporate Responsibility.

These meetings are, wherever possible, scheduled to coincide with Board meetings.

## **Role and Responsibilities**

Non-executive directors have the same general legal responsibilities to the Company as any other director and the Board as a whole is collectively responsible for the success of the Company. All directors must take decisions objectively in the interests of the Company. As part of your non-executive role as a member of a unitary board, you should constructively challenge and help develop proposals on strategy. You should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. You also have a prime role in appointing and, where necessary, removing executive directors, and in succession planning. You should devote time to developing and refreshing your knowledge and skills.

You are, of course, responsible for complying with all applicable laws relating to the office of director and you must also comply with the provisions of the United Utilities Group PLC Policy, Procedures and Controls relating to the protection from disclosure of inside information manual.

## **Fees**

For your responsibilities as non-executive director, you will receive aggregate directors' fees of £61,350 per annum. Fees are payable monthly, wholly in cash, together with appropriate expenses reasonably incurred by you in the proper performance of your responsibilities. The fees are subject to deductions of income tax and National Insurance contributions in the usual way. Fees are reviewed annually.

## **Outside interests**

You have advised the Company separately of your other directorships and business commitments.

During your appointment, you should consult me prior to accepting any other directorships or business commitments which may give rise to a conflict of interest with the Company or which might impinge on the proper performance of your responsibilities or, your ability to devote sufficient time to your role and responsibilities as described in this letter. In the event that you become aware of any actual or potential conflicts of interest which affect or relate to the Company, you should immediately disclose the relevant circumstances to me or to the Company Secretary, Simon Gardiner.

## **Independence**

Based on the information available to the Board, the Board has determined that you are independent according to the provisions of the Code.

## **Performance Evaluation Process**

The performance of the Board and its Committees is evaluated annually and will be externally evaluated every third year. In addition, your individual performance will be evaluated in order to determine that you continue to contribute effectively and that you continue to demonstrate commitment to the role.

## **Insurance**

You will be covered by the group's directors' and officers' liability insurance for its directors and it is intended to maintain such cover for your benefit for the full term of your appointment.

## **Professional advice for directors**

If there are any matters which cause you concern arising from your role, you should discuss them with Simon or me as soon as is appropriate. Occasions may arise when you consider that you need professional advice in connection with the performance of your duties as a director; you will be able to seek professional advice, including consulting the Company's advisers, for this purpose.

## **Confidentiality**

All information acquired during your appointment is confidential to the Company and its subsidiaries and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from me. On the termination of your appointment, you will deliver to the Company all of the books, documents, papers and other property belonging to Company and its subsidiaries which are then in your possession, custody or control.

Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of inside information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from me or from Simon.

## **Governing law**

This letter is governed by, and shall be construed in accordance with, the laws of England, and the parties agree to submit to the jurisdiction of the courts of England.

Please countersign and return the enclosed copy letter to confirm the basis of your appointment as set out above. In line with the provisions of the Code, the Company will place a copy of this letter on its website and will also arrange for a copy of it to be on display at the Company's AGMs. By signing this letter you consent to the Company holding and processing information about you for legal, personnel, administrative and management purposes, and in particular the processing of sensitive personal data as defined in the Data Protection Act 1998, and you consent to the transfer of such personal information when it is necessary or desirable for the Company to do so.

Yours sincerely

**Dr John McAdam**  
**Chairman**

I agree to the terms and conditions of my appointment as a non-executive director of United Utilities Group PLC, and I can confirm that I will have sufficient time to devote to properly and effectively undertaking my role as detailed in this letter.

Signed: Stephen Carter

Lord Carter of Barnes CBE

10 July 2015

Dear Stephen

**2015 Non-Executive Director Fee Review**

I am pleased to confirm that a Committee of the Board consisting of myself, Steve Mogford and Russ Houlden has reviewed the fee structure of the non-executive members of the Board. Following this review the base fee paid to non-executive directors will increase to £62,600 per annum with effect from 1 September 2015 (subject to your reappointment at the AGM on 24 July 2015).

There are no other changes to the terms and conditions governing your role as a non-executive director of the Company as outlined in my letter to you on 1 September 2014.

Thank you for your continued support and commitment to the Company.

Yours sincerely

**Dr John McAdam**  
**Chairman**

Lord Carter of Barnes CBE

19 September 2016

Dear Stephen

**2016 Non-Executive Director Fee Review**

I am pleased to confirm that a Committee of the Board consisting of myself, Steve Mogford and Russ Houlden has reviewed the fee structure of the non-executive members of the Board. Following this review the base fee paid to non-executive directors has increased to £64,000 per annum with effect from 1 September 2016. In addition, you will now receive an additional fee of £10,000 per annum for your Chairmanship of the Corporate Responsibility Committee.

There are no other changes to the terms and conditions governing your role as a non-executive director of the Company as outlined in my letter to you on 1 September 2014.

Thank you for your continued support and commitment to the Company.

Yours sincerely

**Dr John McAdam**  
**Chairman**



**United Utilities Group PLC**  
Haweswater House  
Lingley Mere Business Park  
Lingley Green Avenue  
Great Sankey  
Warrington WA5 3LP

Lord Carter of Barnes CBE

1 September 2017

Dear Stephen

**2017 Non-Executive Director Fee Review**

I am pleased to confirm that a Committee of the Board consisting of myself, Steve Mogford and Russ Houlden has reviewed the fee structure of the non-executive members of the Board. Following this review the base fee paid to non-executive directors has increased to £65,600 per annum with effect from 1 September 2017. In addition, you will now receive an additional fee of £12,000 per annum for your Chairmanship of the Corporate Responsibility Committee.

There are no other changes to the terms and conditions governing your role as a non-executive director of the Company as outlined in my letter to you on 1 September 2014.

Thank you for your continued support and commitment to the Company.

Yours sincerely

**Dr John McAdam**  
**Chairman**



**United Utilities Group PLC**  
Haweswater House  
Lingley Mere Business Park  
Lingley Green Avenue  
Great Sankey  
Warrington WA5 3LP

Lord Carter of Barnes CBE

1 September 2018

Dear Stephen

**2018 Non-Executive Director Fee Review**

I am pleased to confirm that a Committee of the Board consisting of myself, Steve Mogford and Russ Houlden has reviewed the fee structure of the non-executive members of the Board. Following this review the base fee paid to non-executive directors has increased to £66,900 per annum with effect from 1 September 2018. In addition, you will receive an additional fee of £12,000 per annum for your Chairmanship of the Corporate Responsibility Committee.

There are no other changes to the terms and conditions governing your role as a non-executive director of the Company as outlined in my letter to you on 1 September 2014.

Thank you for your continued support and commitment to the Company.

Yours sincerely

**Dr John McAdam**  
**Chairman**



**United Utilities Group PLC**  
Haweswater House  
Lingley Mere Business Park  
Lingley Green Avenue  
Great Sankey  
Warrington WA5 3LP

Lord Carter of Barnes CBE

2 September 2019

Dear Stephen

**2019 Non-Executive Director Fee Review**

I am pleased to confirm that a Committee of the Board consisting of myself, Steve Mogford and Russ Houlden has reviewed the fee structure of the non-executive members of the Board. Following this review the base fee paid to non-executive directors has increased to £68,200 per annum with effect from 1 September 2019. In addition, you will receive an additional fee of £12,000 per annum for your Chairmanship of the Corporate Responsibility Committee.

There are no other changes to the terms and conditions governing your role as a non-executive director of the Company as outlined in my letter to you on 1 September 2014.

Thank you for your continued support and commitment to the Company.

Yours sincerely

**Dr John McAdam**  
**Chairman**





**United Utilities Group PLC**  
Haweswater House  
Lingley Mere Business Park  
Lingley Green Avenue  
Great Sankey  
Warrington WA5 3LP

Lord Carter of Barnes CBE

10 September 2021

Dear Stephen

**2021 Non-Executive Director Fee Review**

I am pleased to confirm that a Committee of the Board consisting of myself, Steve Mogford and Phil Aspin has reviewed the fee structure of the non-executive members of the Board. Following this review the base fee paid to non-executive directors has increased to £69,600 per annum with effect from 1 September 2021. In addition, you will receive an additional fee of £12,000 per annum for your additional duties as Chair of the Corporate Responsibility Committee.

There are no other changes to the terms and conditions governing your role as a non-executive director of the Company as outlined in the Chairman's letter to you of 1 September 2014.

Thank you for your continued support and commitment to the Company.

Yours sincerely

**Sir David Higgins**  
**Chairman**