

United Utilities Group PLC

Notice of Annual General Meeting 2022



Chair's Letter



Sir David Higgins
Chair

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

Registered in England and Wales

Registered Number 6559020

Dear Shareholder

2022 Annual General Meeting

I am pleased to provide details of the annual general meeting of United Utilities Group PLC (the 'company') (the 'AGM' or 'annual general meeting', or the 'meeting') and enclose our notice of meeting and form of proxy. The meeting will be held at **The Edwardian Manchester Radisson Hotel, Free Trade Hall, Peter Street, Manchester M2 5GP** (the 'venue'), on Friday 22 July 2022 at 11.00am.

The notice of annual general meeting is set out on pages 10 to 14, together with explanatory notes on pages 15 to 23. The 31 March 2022 annual report and financial statements are available on our website along with an electronic copy of this notice of meeting at unitedutilities.com/corporate.

Alongside our physical meeting at the venue, the meeting will be broadcast live on the day via the internet, enabling shareholders to participate electronically in the meeting, and submit questions (either in writing by typing them into the Lumi platform or by use of audio facilities) and vote during the meeting when instructed to do so. Please refer to page 37 for a step-by-step guide on how to access the Lumi platform and broadcast of the AGM. The guide also contains details of how to access the broadcast if you hold your shares through a nominee or custodian account.

Voting

You are strongly encouraged to exercise your right to vote, you can do this by:

- going online at sharevote.co.uk and voting electronically. To do this you will need the three numbers (voting ID, task ID and shareholder reference number (SRN)) that are printed on your proxy form; or
- complete your proxy voting form and appoint the chair of the meeting to act in accordance with your instructions, and post it to the pre-printed address; or

- if you have registered with Equiniti's online portfolio service, you can appoint the chair of the meeting as your proxy at shareview.co.uk; or
- vote during the meeting either in person by attending the venue, or electronically via the LUMI platform.

Proxy votes must be received by 11.00am on Wednesday 20 July 2022. Further information can be found on page 33. The results of the poll will be announced to the London Stock Exchange and will be published on our website as soon as reasonably practicable after the meeting.

Final dividend

Subject to approval at the annual general meeting, the final dividend for the financial year ended 31 March 2022 of 29.0 pence per ordinary share will be paid on 1 August 2022 to those members whose names appear on the register at the close of business on 24 June 2022.

Other resolutions

Our current directors' remuneration policy was approved by shareholders in 2019, and so the board is proposing a resolution to approve a new policy in line with the requirement that it be renewed at least every three years. The remuneration committee has sought to better reflect environmental matters within the new policy given their importance to the company and its stakeholders, with increasing focus on environmental outcomes and with carbon measures being included in our long-term incentives going forward. The mechanism used to deliver our long-term incentives, the Long Term Plan 2013, will expire next year and so a replacement plan (the Long Term Plan 2022), which will operate on a similar basis to the current one, is proposed for approval at the meeting. A resolution to approve our climate-related financial disclosures, on an advisory basis, is included for the first time this year.

Recommendation

The directors are of the opinion that all resolutions to be proposed at the annual general meeting are in the best interests of the shareholders as a whole. Accordingly, the board unanimously recommends that you vote in favour of all the proposed resolutions.

In the event that the Government re-introduces restrictions as we have seen before in relation to the COVID-19 pandemic and the arrangements for the meeting have to be changed, information will be released via the RNS and placed on the company's website.

Yours faithfully



Sir David Higgins
Chair

Chair and Chief Executive Officer's review



Sir David Higgins
Chair



Steve Mogford
Chief Executive Officer

We are helping over 200,000 households currently struggling with their bills, and maintaining a high level of service for customers. We are earning higher outperformance thanks to strong operational performance against customer outcome delivery incentives as well as financial outperformance. As a responsible company, we are sharing our success with customers, like we did in 2010–20, by investing an additional £765 million to help accelerate further enhancements for customers and the environment.

Our team has sustained a strong level of operational performance this year, delivering value for all our stakeholders. Customer satisfaction and employee engagement remain high, and we have achieved our best ever performance against customer outcome delivery incentives (ODIs). We are on track to deliver our asset management period 2020-25 (AMP7) environmental improvement programme, which will improve river and bathing water quality in the North West, and have made good progress against our carbon pledges. We are upper quartile across a suite of environmental, social and governance (ESG) indices, and our robust balance sheet provides long-term financial resilience.

Helping customers struggling with bills

Many people across the country are facing real challenges as we emerge from a global pandemic and are faced with significant rises in the cost of living. We serve many of the most deprived areas in England and Wales, so it is more important than ever that we are doing what we can to help customers.

Our average household bill for 2022/23 is not increasing, and we are offering more support than ever before through our extensive range of affordability and vulnerability schemes, helping over 200,000 households this year and providing around £280 million⁽¹⁾ of affordability support over AMP7.

There is still more we would like to be able to do, and we are a passionate supporter of the Consumer Council for Water's drive to introduce a national social tariff, which would help deliver a more equitable sharing of support for customers struggling to pay their bill regardless of where they live in the country.

Sustained high levels of operational and environmental performance

We were a sector leading company on outcome delivery in Ofwat's Service Delivery Report for 2020/21, with nine of 11 outcomes⁽²⁾ being at or better than target, and were called out as a top performer on supply interruptions and pollution incidents – two areas where we are now seeing the benefits of targeted investment we made in AMP6. On the two outcomes⁽²⁾ where our performance was poorer than target we have plans in place to improve this.

Our customer ODI performance has been strong across the board this year, meeting or beating over 80 per cent of our performance commitments. Based on our anticipated reward this year, we will have earned rewards in both the first two years of AMP7 against Ofwat's customer satisfaction measure, C-MeX, and we have achieved our lowest ever level of written complaints this year.

We were pleased to achieve a four star rating in the 2020 Environmental Performance Assessment from the Environment Agency (EA), meaning we were categorised as an industry leading company in the most recent annual assessment by the EA, taking into account performance across a broad range of environmental metrics. It reflected our best ever performance, and we were the first water company to achieve green status across all measures since 2015.

We continue to be at the sector frontier on pollution performance, having reduced overall pollution by a third since the start of AMP7. Our treatment works compliance remains strong and we expect to remain green on this measure in the EA's assessment for 2021.

Performance improvements earning outperformance

We earned a reported return on regulated equity (RoRE) of 7.9 per cent for 2021/22⁽³⁾, driven by our continued improvements in operational performance together with high levels of inflation, which increases financing outperformance, and tax outperformance.

Underlying RoRE is slightly lower at 7.7 per cent, and excludes the tax that will be recovered through the regulatory sharing mechanism.

Cumulative RoRE for the first two years of AMP7 is 6.2 per cent on both a reported and underlying basis.

Our strong performance this year earned a £25 million reward against customer ODIs⁽²⁾, the highest annual reward we have achieved to date. We anticipate earning total customer ODI rewards over AMP7 of £200 million, a third higher than we estimated in last year's report.

We consistently issue debt at efficient rates, and we earned financing outperformance of 1.6 per cent of regulated equity this year. We also performed strongly on tax as a result of optimising government tax incentives. The economic environment as we emerge from a global pandemic, as well as the war in Ukraine, has driven higher costs in our supply chain and we are starting to see significant cost increases in power and chemicals. We continue to seek efficiencies and exploit technology and innovation to help us deliver our total expenditure (totex) efficiently.

- (1) 50 per cent company funded
- (2) Excluding per capita consumption, which Ofwat will be revisiting at the next price review once there is a better understanding of the impact of COVID-19 and any enduring effects
- (3) On a real, RPI/CPIH blended basis

Chair and Chief Executive Officer's review

Sharing our success with customers

As a responsible company it is right that we should share our success with customers, and we feel the best way for us to create more value for customers and other stakeholders is through investing to accelerate improvements in performance. This is in line with the approach we have taken historically, sharing over £600 million over the 2010-20 period.

We have increased the investment we are making by a further £400 million meaning that, over the 2020–25 period, we are investing £765 million beyond the scope of our final determination allowance to help us accelerate environmental and customer outcomes.

Investing to improve service for customers

£250 million of the additional investment is helping us deliver further improvements to service for customers and better performance against our customer ODIs.

As mentioned above, our performance has been strong across the majority of our customer outcomes, but this investment is targeted at delivering sustainable improvements for customers in two specific areas where we want to do better – sewer flooding and water quality (specifically discolouration).

It includes investment in Dynamic Network Management (DNM), an advancement of Systems Thinking in our wastewater network that will help us reduce sewer flooding and pollution incidents using real-time performance data from a network of sensors to enable predictive and preventative optimisation.

Investing outperformance for environmental improvements

A further £250 million of the additional investment is being used to deliver environmental outcomes. This includes delivering elements of the new Environment Act requirements earlier, and improving the health of rivers across the North West.

In July 2021, we launched a collaborative partnership with The Rivers Trust, a first for any water company in the United Kingdom. To help kickstart a river revival in the North West we published 'Better Rivers: Better North West', our plan to improve the health of rivers across our region in the next three years. We are delivering improvements that support at least a one-third sustainable reduction in the number of spills recorded from our storm overflows between 2020 and 2025, with all storm overflows monitored by 2023 and real time data on their operation made publicly available. Our plans will lead to 184 kilometres of improved waterways across the region. We also continue to engage with the ongoing industry-wide investigations by Ofwat and the Environment Agency into possible unpermitted sewage discharges.

The remaining £265 million of the £765 million of additional investment is for projects where regulatory allowances and mechanisms have been secured, much of which will deliver further environmental benefits. For example, around £90 million will fund a project in Bolton that is part of our Water Industry National Environment Programme (WINEP), and £65 million will go towards supporting the country's green economic recovery in the wake of the pandemic.

Long-term investment needs for the environment

Protecting and enhancing the natural environment has always been a key priority for us and many of our stakeholders. In the last 12 months this has received increased public interest, particularly the health of rivers and the part the water industry can play in helping to improve this.

New and emerging requirements reflect the increased importance being given by the Government to the environmental agenda and we share the Government's ambitious improvement plans.

The Environment Act 2021 introduces several new challenges for the sector, including a requirement for water companies to secure a progressive but very substantial reduction in the average number of spills from storm overflows, and controlling nutrient pollution by reducing phosphate release from wastewater treatment works. The Industrial Emissions Directive broadens the scope of activities covered by compliance requirements, and the Environment Agency's recent interpretation of Farming Rules for Water restricts the application of biosolids to land in certain areas at certain times, requiring more storage capacity or alternative means of disposal.

We have delivered significant improvements in environmental performance in recent years, and through our original plans for AMP7 we will deliver further improvements, with good progress already having been made. The additional investment we are making will help accelerate improvements, but there is more that the industry will need to do.

Specific targets for the next regulatory period have not yet been agreed, but it is already clear that there is an ambition to deliver a fundamental change in the way drainage network systems were originally configured. The investment needed to deliver these changes will be significant for the industry as a whole, but particularly for the North West, where we have a much higher proportion of combined sewers. We are working with the Government and regulators to determine how these bold ambitions can be met and by when, recognising that the pace of change must consider customer affordability.

Resilience to climate change and population growth remains a material issue for many stakeholders, even more so since COP26, and this is something that will need to be addressed by water companies both regionally and nationally. Our Systems Thinking approach and investment are helping to deliver increased resilience across the North West, and longer-term we are involved in strategic planning for a national water transfer scheme.

We have committed to achieve net zero by 2030 with six pledges to reduce our carbon footprint, underpinned by ambitious science-based targets for reducing our greenhouse gas emissions, and we are making good progress against these. We are linking executive remuneration more tightly to our carbon commitments with four targets added to the Long Term Plan, and in this year's report we also include nature-related financial disclosures.

Chair and Chief Executive Officer's review

Haweswater Aqueduct Resilience Programme (HARP)

We have continued to develop HARP, an industry-first Direct Procurement for Customers (DPC) programme to design and build six replacement tunnel sections of the Haweswater Aqueduct, which transports water from Cumbria to Manchester.

We have undertaken extensive market engagement throughout the process – challenging for a project of this scale during the pandemic – and used innovative ways to manage stakeholder engagement including the use of digital channels and a virtual exhibition giving people access to information and the ability to ask questions remotely.

We developed the initial design following extensive ground investigation work to plot the best route, and planning applications have all been submitted with decisions expected later this year. During early 2022, we have been finalising tender documents, and we expect to start procurement in the summer of 2022.

Strong financial performance in a turbulent economic climate

We have delivered another good financial performance this year, underpinned by a strong balance sheet.

Underlying earnings per share is 53.8 pence, a decrease of 4 per cent primarily due to the inflationary impact on our underlying net finance expense. With inflation increasing, this impacts interest charges and therefore earnings, but our regulatory capital value will benefit from higher indexation. This higher finance expense is partially offset by a tax credit following a review of our innovation-related capital expenditure.

Reported earnings per share is (8.3) pence, with the difference mainly due to a one-off deferred taxation charge which occurs from a restatement of the liability following a change in the headline rate of corporation tax from 19 per cent to 25 per cent, effective from 1 April 2023. Adjusting items are outlined in the reconciliation table on pages 82 and 83 of the annual report and financial statements.

The board has proposed a final dividend of 29.0 pence per ordinary share, taking the total dividend for 2021/22 to 43.5 pence. This is an increase of 0.6 per cent⁽⁴⁾, in line with our AMP7 policy of targeting an annual growth rate of CPIH inflation through to 2025.

Our balance sheet remains one of the strongest in the sector as a result of the responsible and prudent approach we take to financial risk management. Gearing, measured as net debt to regulatory capital value, is 61 per cent, remaining comfortably within our target range of 55 to 65 per cent. This supports United Utilities Water Limited's A3 credit rating with Moody's, and at year end we have liquidity to February 2025, giving us a high level of flexibility and resilience.

While we are not immune to the effects of the current high inflation environment, our risk management policies have been effective at helping to shield us in certain areas. Our fully funded, low-dependency pension schemes protect employees and shareholders from the risk and deficit repair contributions that come with having a large pension deficit.

Our energy hedging policy locked in commodity prices on the majority of our estimated power consumption for AMP7 prior to the recent significant increases. We have 80 per cent of our AMP7 base capital programme on contract under target price arrangements, with sharing of cost overruns incentivising our partners to deliver within budget.

Supported by a diverse and highly motivated workforce

We pride ourselves on being a quality employer, and are committed to maintaining a diverse and inclusive team of people, recruiting from every part of our community. We scored equal to the UK high performance norm with 87 per cent employee engagement this year, are rated 4.6 out of five by Glassdoor, and were the leading utility company in The Inclusive Top 50 UK Employers List 2021/22.

We believe in the importance of developing younger generations to keep the talent pool flowing. We have active graduate and apprentice schemes, including 30 green apprentices helping us work towards our climate and environmental ambitions. We support young people not in education, employment or training (NEETs), as well as being part of the government's Kickstart Scheme providing opportunities to unemployed 16–24 year olds claiming universal credit.

Our commitment to health, safety and wellbeing has been recognised with our 10th consecutive Royal Society for the Prevention of Accidents (RoSPA) gold standard medal, meaning we have achieved the RoSPA President's award.

- (4) The dividend increase is based on the CPIH element included within allowed regulated revenue for the 2021/22 financial year (i.e. the movement in CPIH between November 2019 and November 2020).

Outlook

We have continued a momentum of performance improvement in recent years, giving us confidence in our ability to continue to create value for customers, the environment, and other stakeholders.

The additional investment we are making will help us deliver even more sustainable improvements in customer and environmental performance, and to get ahead of the requirements coming into force through the Environment Act.

Our Systems Thinking approach, digital advancements, and financial risk management give us robust long-term resilience.

Thank you to our stakeholders

We are grateful to our employees for their continued hard work, and as we look forward at the many new challenges we and the rest of the sector will be meeting in the next AMP and beyond, we are delighted to have such a great team behind us. We would also like to extend our gratitude to our customers and other stakeholders for their continued support.



Sir David Higgins

Chair



Steve Mogford

Chief Executive Officer

Annual report and financial statements

Our 2022 annual report and financial statements can be accessed at: [unitedutilities.annualreport2022.com](https://unitedutilities.com/annualreport2022) or, unitedutilities.com/corporate

Notice of Annual General Meeting

This document is important and requires your immediate attention

If you are in doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom. If you have sold or otherwise transferred all your shares in United Utilities Group PLC, you should pass this document, together with all accompanying documents, to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice of 2022 annual general meeting (AGM)

Notice is given that the AGM of United Utilities Group PLC (the company) will be held at 11.00am on Friday 22 July 2022 at **The Edwardian Manchester Radisson Hotel, Free Trade Hall, Peter Street, Manchester M2 5GP** with facilities to attend electronically, to transact the business set out below.

Resolutions 1 to 17, 21 and 23 will be proposed as ordinary resolutions and resolutions 18 to 20 and 22 will be proposed as special resolutions.

The board considers each resolution to be proposed at the AGM would promote the success of the company for the benefit of its members as a whole, and unanimously recommends shareholders to vote in favour of all resolutions, as they intend to do in respect of their own shareholdings. The formal resolutions are set out on the following pages, along with explanatory notes given in respect of each resolution.

Resolution 1: annual report and financial statements

That the audited annual report and financial statements for the year ended 31 March 2022 be received.

Resolution 2: declaration of dividend

That the final dividend of 29.0 pence per ordinary share be declared.

Resolution 3: to approve the directors' remuneration report

That the directors' remuneration report (other than the part containing the directors' remuneration policy) for the year ended 31 March 2022 be approved.

Resolution 4: to approve the directors' remuneration policy

That the directors' remuneration policy (as contained in the directors' remuneration report for the year ended 31 March 2022) be approved.

Resolution 5: reappointment of a director

That Sir David Higgins be reappointed as a director.

Resolution 6: reappointment of a director

That Steve Mogford be reappointed as a director.

Resolution 7: reappointment of a director

That Phil Aspin be reappointed as a director.

Resolution 8: election of a director

That Louise Beardmore be elected as a director.

Resolution 9: election of a director

That Liam Butterworth be elected as a director.

Resolution 10: reappointment of a director

That Kath Cates be reappointed as a director.

Resolution 11: reappointment of a director

That Alison Goligher be reappointed as a director.

Resolution 12: reappointment of a director

That Paulette Rowe be reappointed as a director.

Resolution 13: reappointment of a director

That Doug Webb be reappointed as a director.

Resolution 14: reappointment of auditor

That KPMG LLP be reappointed as auditor.

Resolution 15: remuneration of auditor

That the audit committee of the board be authorised to set the auditor's remuneration.

Resolution 16: climate-related financial disclosures

That the company's climate-related financial disclosures for 2022 set out on pages 86 to 94 of the annual report and financial statements for the year ended 31 March 2022 be approved.

Resolution 17: authorising the directors to allot shares

That the board be generally and unconditionally authorised to allot ordinary shares pursuant to section 551 of the Companies Act 2006 (the Act) in the company and to grant rights to subscribe for or convert any security into ordinary shares in the company:

(A) up to a nominal amount of £11,364,806 (such amount to be reduced by any allotments or grants made under paragraph (B) below in excess of such sum); and

(B) comprising equity securities (as defined in section 560(1) of the Act) up to a nominal amount of £22,729,613 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities as required by the rights of those securities or as the board otherwise considers necessary,

and so that the board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such power to apply until the end of the 2023 annual general meeting of the company, or, if earlier, 1 October 2023 but, in each case, during this period the company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended. All authorities vested in the board on the date of the notice of this meeting to allot shares or grant rights that remain unexercised at the commencement of this meeting are revoked.

Notice of Annual General Meeting

Resolution 18: general power to disapply statutory pre-emption rights

That, if resolution 17 is passed, the board be given the power to allot equity securities (as defined in the Companies Act 2006 (the Act)) for cash under the authority given by that resolution and/or to sell ordinary shares of five pence each held by the company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such power to be limited:

(A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 17, by way of a rights issue only):

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities, as required by the rights of those securities or, as the board otherwise considers necessary,

and so that the board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(B) in the case of the authority granted under paragraph (A) of resolution 17 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to a nominal amount of £1,704,721,

such power to apply until the end of the 2023 annual general meeting of the company or, if earlier, 1 October 2023 but, in each case, during this period the company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

Resolution 19: specific power to disapply pre-emption rights in connection with an acquisition or specified capital investment

That, if resolution 17 is passed, the board be given the power, in addition to any power granted, under resolution 18 to allot equity securities (as defined in the Companies Act 2006 (the Act)) for cash under the authority granted under paragraph (A) of resolution 17 and/or to sell ordinary shares held by the company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such power to be:

- (A) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,704,721; and
- (B) used only for the purposes of financing a transaction which the board of the company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this notice or for the purposes of refinancing such a transaction within six months of its taking place,

such power to apply until the end of the 2023 annual general meeting of the company or, if earlier, 1 October 2023 but, in each case, during this period the company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

Resolution 20: authorising the company to make market purchases of its own shares

That the company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the Act) to make one or more market purchases (as defined in section 693(4) of the Act) of its ordinary shares of five pence each, such power to be limited:

- (A) to a maximum aggregate number of 68,188,841 ordinary shares of five pence each; and
- (B) by the condition that the minimum price which may be paid for an ordinary share is the nominal amount of that share and the maximum price which may be paid for an ordinary share is the higher of:
 - (i) an amount equal to 5 per cent above the middle market value of an ordinary share (as derived from the London Stock Exchange plc's Daily Official List) for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
 - (ii) the higher of (i) the price of the last independent trade of an ordinary share; and (ii) the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out,

in each case, exclusive of expenses, such power to apply until the end of the 2023 annual general meeting of the company or, if earlier, 1 October 2023. The company may enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after the power ends and the company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

Resolution 21: United Utilities Group PLC Long Term Plan 2022

That the directors of the Company be, and are hereby authorised:

- (i) to adopt and establish the United Utilities Group PLC Long Term Plan 2022, the principal terms of which are summarised in Appendix 1 to this notice of annual general meeting, and the rules of which are produced to this meeting and, for the purpose of identification only, initialled by the Chair of the meeting, and to do all such acts and things which they may consider necessary or desirable to establish and carry it into effect; and
- (ii) to establish further plans based on the United Utilities Group PLC Long Term Plan 2022 but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation contained within the United Utilities Group PLC Long Term Plan 2022.

Resolution 22: notice of general meeting

That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Notice of Annual General Meeting

Resolution 23: authorising political donations and political expenditure

That, in accordance with Part 14 of the Companies Act 2006 (the Act), the company and each company which is or becomes a subsidiary of the company at any time during the period for which this resolution has effect, be and are hereby authorised:

- (A) to make political donations to political parties and/or independent election candidates;
- (B) to make political donations to political organisations other than political parties; and
- (C) to incur political expenditure;

in each case during the period beginning with the date of the passing of this resolution and ending on the conclusion of the 2023 annual general meeting of the company or, if earlier, 1 October 2023. In any event, the aggregate amount of political donations and political expenditure made or incurred by the company and its subsidiaries pursuant to this resolution shall not exceed £50,000.

For the purposes of this resolution the terms ‘political donations’, ‘independent election candidates’, ‘political organisations’, ‘political expenditure’ and ‘political parties’ have the meanings set out in sections 363 to 365 of the Act.

By order of the board:

Simon Gardiner
Company Secretary
25 May 2022

Registered office:

Haweswater House
Lingley Mere Business Park
Lingley Green Avenue
Great Sankey
Warrington
WA5 3LP

Explanatory notes of resolutions

Resolution 1: annual report and financial statements

The directors are required to lay before the meeting the annual report and financial statements of the company for the year ended 31 March 2022, the strategic report, the directors' report, the remuneration report and the audited parts thereof, and the auditor's report on the financial statements.

Resolution 2: declaration of dividend

The board is recommending a final dividend of 29.0 pence per ordinary share. If approved, it will be paid on 1 August 2022 to the shareholders on the register at the close of business on 24 June 2022.

Resolution 3: directors' remuneration report

In accordance with the Companies Act 2006, the company proposes an ordinary resolution to approve the directors' remuneration report for the financial year ended 31 March 2022. The directors' remuneration report can be found on pages 160 to 191 of the annual report and financial statements 2022 and, for the purposes of this resolution, does not include the parts of the directors' remuneration report containing the directors' remuneration policy which is set out on pages 163, and 169 to 176. The vote on resolution 3 is advisory only and the directors' entitlement to remuneration is not conditional on it being passed.

Resolution 4: directors' remuneration policy

In accordance with the Companies Act 2006, the company proposes an ordinary resolution to approve the directors' policy contained in the directors' remuneration report. The proposed policy is set out on pages 169 to 176 of the annual report and financial statements 2022. The vote on this resolution is binding and, if passed, will mean that remuneration payments and payments for loss of office can only be made to directors in accordance with the approved policy. The company is required to ensure that a vote on its remuneration policy takes place at least every three years unless it is proposed to change the policy before the end of the three

year term. The existing policy was approved in 2019 and is due to expire this year. Subject to approval at the meeting, the proposed directors' remuneration policy will take effect from 22 July 2022 and will replace the existing policy as approved by shareholders in 2019.

Resolutions 5 to 13: reappointment/election of directors

The board is mindful of the recommendation contained within the Financial Reporting Council's 2018 UK Corporate Governance Code (the code) that all directors of FTSE 350 companies should be subject to annual appointment by shareholders. All directors retire at the AGM, the biographies of those offering themselves for reappointment/election are set out on the following pages.

With the exception of the Chair, who met the independence criteria as set out in provision 10 of the code when he was appointed, all our non-executive directors are determined to be independent in accordance with provision 10 of the code and free from any business or other relationship which could compromise their independent judgement. Should they need it, the non-executive directors are supported in their role by the ability to seek independent specialist advice.

As confirmed by the internally conducted board evaluation exercise, the board fully endorses the reappointment/election of the directors offering themselves for the same at the AGM, all of whom are considered to be making a valuable and effective contribution to the board. All the non-executive directors were considered to be independent and demonstrating the expected level of commitment to their roles. The board recommends that shareholders vote all the directors offering themselves for reappointment/election back into office at the 2022 AGM. Biographical details of the directors can be found on pages 16 to 20 of this document along with the specific reasons why each director's contribution is, and continues to be, important to the company's long-term sustainable success.

Executive and non-executive directors offering themselves for reappointment/election



Sir David Higgins
Chair

Responsibilities: Responsible for the leadership of the board, setting its agenda and ensuring its effectiveness on all aspects of its role.

Qualifications: BEng Civil Engineering, Diploma Securities Institute of Australia, Fellow of the Institute of Civil Engineers and the Royal Academy of Engineering.

Appointment to the board: May 2019; appointed as Chair in January 2020.

Skills and experience: Sir David has spent his career overseeing high profile infrastructure projects, including: the delivery of the Sydney Olympic Village and Aquatics centre; Bluewater Shopping Centre, Kent; and the delivery of the 2012 London Olympic Infrastructure Project.

Career experience: Sir David was previously chief executive of: Network Rail Limited; The Olympic Delivery Authority; and English Partnerships. He has held non-executive roles as chairman of both High Speed Two Limited and Sirius Minerals plc. In December 2019 he stepped down as non-executive director and chair of the remuneration committee at the Commonwealth Bank of Australia.

Current directorships/business interests: Chair of Gatwick Airport Limited and a member of the Council at the London School of Economics. He is Chair of United Utilities Water Limited.

Independence: Sir David met the 2018 UK Corporate Governance Code's independence criteria (provision 10) on his appointment as a non-executive director and chairman designate.

Specific contribution to the company's long-term success: Sir David's experience of major infrastructure projects and his knowledge and understanding of the role of regulators will be invaluable in meeting the challenges of the current regulatory period and beyond. As chairman of the nomination committee, he is responsible for ensuring the succession plans for the board and senior management identify the right skillsets to face the challenges of the business.



Steve Mogford
Chief Executive
Officer

Responsibilities: To manage the group's business and to implement the strategy and policies approved by the board.

Qualifications: BSc (Hons) Astrophysics/Maths/Physics.

Appointment to the board: January 2011.

Skills and experience: Steve's experience of the highly competitive defence market and of complex design, manufacturing and support programmes has driven forwards the board's strategy of improving customer service and operational performance at United Utilities. His perspective of the construction and infrastructure sector provides valuable experience and insight to support United Utilities' capital investment programme.

Career experience: Steve was previously chief executive of SELEX Galileo, the defence electronics company owned by Italian aerospace and defence organisation Finmeccanica, chief operating officer BAE Systems PLC and a member of its PLC board. His early career was spent with British Aerospace PLC. Steve ceased to be a non-executive director of G4S plc following its takeover in April 2021.

Current directorships/business interests: He is Chief Executive Officer of United Utilities Water Limited and a non-executive director of Water Plus, a joint venture with Severn Trent serving business customers. With effect from 1 August 2022, he will join the board of QinetiQ Group plc as a non-executive director.

Specific contribution to the company's long-term success: As the Chief Executive Officer, Steve has driven a step change in the company's operational performance, and has implemented a Systems Thinking approach to underpin future operational activities and improved performance.

Executive and non-executive directors offering themselves for reappointment/election



Phil Aspin
Chief Financial
Officer

Responsibilities: To manage the group's financial affairs, to contribute to the management of the group's business and to the implementation of the strategy and policies approved by the board.

Qualifications: BSc (Hons) Mathematics, Chartered Accountant (ACA), Fellow of the Association of Corporate Treasurers (FCT).

Appointment to the board: July 2020.

Skills and experience: Phil has extensive experience of financial and corporate reporting, having qualified as a chartered accountant with KPMG and more latterly through his role as group controller. He has a comprehensive knowledge of capital markets and corporate finance underpinned through his previous role as group treasurer and his FCT qualification. Having been actively engaged in the last four regulatory price reviews he has a strong understanding of the economic regulatory environment.

Career experience: Phil has over 25 years' experience working for United Utilities. Prior to his appointment as CFO in July 2020, he was group controller with responsibility for the group's financial reporting and prior to that he was group treasurer with responsibility for funding and financial risk management. He has been a member of EFRAG TEG and chaired the EFRAG Rate Regulated Activities Working Group.

Current directorships/business interests: Phil was appointed as a member of the UK Accounting Standards Endorsement Board in March 2021. He is chair of the 100 Group pensions committee and a member of both the 100 Group main committee and the stakeholder communications and reporting committee. He is Chief Financial Officer of United Utilities Water Limited and a non-executive director of Water Plus, a joint venture with Severn Trent serving business customers.

Specific contribution to the company's long-term success: Phil has driven forward the financial performance of the group and delivered the group's competitive advantage in financial risk management and excellence in corporate reporting.



Louise Beardmore
Chief Executive
Officer designate

Responsibilities: To work with, and support, the Chief Executive Officer in managing the group's business and to lead the creation of UUW's PR24 business plan, covering the next five year regulatory period.

Qualifications: BSc (Hons) Business Management, Fellow of the Chartered Institute of Personnel Development, Vice President of the Institute of Customer Service.

Appointment to the board: May 2022.

Skills and experience: Louise has extensive experience working in utility companies both in the UK and internationally and she consistently demonstrates the ability to successfully design, drive and implement organisational strategy in different operating environments. She has a strong strategic mind set and a track record of delivering major transformational change within regulated utility and service structures, improving performance for all stakeholders.

Career experience: Louise joined United Utilities on its graduate programme and has comprehensive experience of the company, its customers and its regulators. She was appointed as customer service and people director in 2016, prior to which she held a number of senior positions across the United Utilities group. She has led teams in business transformation, water operations, electricity and telecoms as well as customer service and people capabilities both in the UK and internationally. She has recently completed the corporate director programme at Harvard Business School.

Current directorships/business interests: Louise is Chief Executive Officer designate of United Utilities Water Limited. She is a non-executive director of Engage for Success and named on the Northern Power Women's 'Power List' in recognition of her contribution to diversity, inclusion and talent, paving the way for female leaders in business.

Specific contribution to the company's long-term success: Louise's strategic vision and constant customer focus will continue to build on the group's significant performance and delivery for customers, communities and the environment.

Executive and non-executive directors offering themselves for reappointment/election



Liam Butterworth
Independent
non-executive
director



Kath Cates
Independent
non-executive
director

Responsibilities: To challenge constructively the executive directors and monitor the delivery of the strategy within the risk and control framework set by the board.

Qualifications: MBA Business Administration and Management, CIM Marketing, HND Mechanical Production Engineering.

Appointment to the board: January 2022.

Skills and experience: As a serving CEO, Liam brings strong engineering and industrial technology experience to the board, with a track record of managing performance and enhancing corporate culture.

Career experience: Liam has over 30 years' experience in the automotive industry. He started his career at Lucas Industries as an apprentice toolmaker, before moving into marketing, sales and purchasing at FCI Automotive. Joining Delphi Technologies plc in 2012, he became CEO in December 2017. He joined GKN Automotive Limited, owned by Melrose plc, as CEO in 2018.

Current directorships/business interests: Liam is CEO of GKN Automotive Limited. He is also a non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Liam's operational experience contributes to the board's continuing focus on the performance of the business via the Systems Thinking approach.

Responsibilities: To challenge constructively the executive directors and monitor the delivery of the strategy within the risk and control framework set by the board.

Qualifications: Solicitor of England and Wales.

Appointment to the board: September 2020.

Skills and experience: Kath has spent most of her career working in a regulated environment in the financial services industry. Since 2014, she has focused on her non-executive roles, chairing all the main board committees and undertaking the role of senior independent director.

Career experience: Kath previously was chief operating officer at Standard Chartered plc before which she held a number of roles at UBS Limited over a 22-year period, prior to which she qualified as a solicitor. She is a former non-executive director at Brewin Dolphin Holdings plc and RSA Insurance Group plc, where she chaired the remuneration committee.

Current directorships/business interests: Kath is a non-executive director at Columbia Threadneedle Investments where she chairs the TPEN audit committee. She is a non-executive director of TP ICAP Group Plc and Brown Shipley. She is an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Kath's broad board experience enables her to contribute to board governance and risk management at United Utilities.

Executive and non-executive directors offering themselves for reappointment/election



Alison Goligher
Independent
non-executive
director

Responsibilities: To challenge constructively the executive directors and monitor the delivery of the strategy within the risk and control framework set by the board and to lead the board's activities concerning directors' remuneration.

Qualifications: BSc (Hons) Mathematical Physics, MEng Petroleum Engineering.

Appointment to the board: August 2016.

Skills and experience: Alison has strong technical and capital project management skills, having been involved in large projects and the production side of Royal Dutch Shell's business. This experience of engineering and industrial sectors provides the board with additional insight into delivering United Utilities' capital investment programme.

Career experience: Royal Dutch Shell (2006 to 2015), where Alison's most recent executive role was Executive Vice President Upstream International Unconventionals. Prior to that she spent 17 years with Schlumberger, an international supplier of technology, integrated project management and information solutions to the oil and gas industry.

Current directorships/business interests:

Alison is a non-executive director and chair of the remuneration committee at Meggitt PLC and a part-time executive chair at Silixa Ltd. She was appointed as a non-executive director of Technip Energies NV in February 2021. She is an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Alison's understanding of the operational challenges of large capital projects and the benefits of deploying technology provides valuable insight into addressing the longer-term strategic risks faced by the business. Her role as the designated non-executive director for workforce engagement provides the board with a better understanding of the views of employees and greater clarity on the culture of the company.



Paulette Rowe
Independent
non-executive
director

Responsibilities: To challenge constructively the executive directors and monitor the delivery of the strategy within the risk and control framework set by the board.

Qualifications: MEng + Man (Hons), MBA.

Appointment to the board: July 2017.

Skills and experience: Paulette has spent most of her career in the regulated finance industry and so provides the board with additional perspective and first-hand regulatory experience. Her experience of technology-driven transformation contributes to United Utilities' customer experience programme and its Systems Thinking approach.

Career experience: Previously held senior executive roles in banking and technology at Facebook, Barclays and the Royal Bank of Scotland/NatWest. Former trustee and chair of children's charity The Mayor's Fund for London.

Current directorships/business interests: CEO of Integrated and Ecommerce Solutions and member of the Paysafe Group executive since January 2020. Paysafe, a former FTSE 250 company, is now privately owned by PE firms CVC and Blackstone. She is an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success:

Paulette's wide-ranging experience in regulated sectors, profit and loss management, technology and innovation enables her to provide a first-hand contribution to many board topics of discussion. In her current executive role she often faces many of the same issues, and has been able to provide support to senior management at United Utilities.

Executive and non-executive directors offering themselves for reappointment/election



Doug Webb
Independent
non-executive
director

Responsibilities: To challenge constructively the executive directors and monitor the delivery of the strategy within the risk and control framework set by the board.

Qualifications: MA Geography and Management Science, Chartered Accountant (FCA).

Appointment to the board: September 2020.

Skills and experience: Doug has extensive career experience in finance from qualifying as a chartered accountant with Price Waterhouse, his executive roles as CFO of major listed companies and more recently through his non-executive positions and focus on audit committee activities.

Career experience: Doug was previously chief financial officer at Meggitt PLC from 2013 to 2018 and prior to that, he was chief financial officer at the London Stock Exchange Group plc and QinetiQ Group plc. He is a former non-executive director and audit committee chair at SEGRO plc, having stepped down in 2019.

Current directorships/business interests: Doug currently serves as a non-executive director and audit committee chair at Johnson Matthey plc, BMT Group Ltd and the Manufacturing Technology Centre Ltd. He is an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Doug's financial capabilities and his experience as an audit committee chair strengthen the board's financial expertise.

Explanatory notes of resolutions

Resolutions 14 and 15: reappointment and remuneration of auditor

The board is recommending the reappointment of KPMG LLP as external auditor to the company. There are no contractual obligations that restrict the committee's choice of external auditor; the recommendation is free from third party influence and no auditor liability agreement has been entered into. An authority for the audit committee of the board to set the remuneration of the auditor will also be sought.

Resolution 16: climate-related financial disclosures

The company's climate-related financial disclosures are set out on pages 86 to 94 of the annual report and financial statements. The board is proposing the resolution as a non-binding advisory vote which it intends to put before shareholders not more than every three years (which period will be subject to review by the board from time to time).

Resolution 17: authorising the directors to allot shares

Paragraph (A) of this resolution 17 would give the directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £11,364,806 (representing 227,296,120 ordinary shares of five pence each). This amount represents approximately one-third of the issued ordinary share capital of the company as at 25 May 2022, the latest practicable date prior to publication of this notice.

In line with the Share Capital Management Guidelines issued by the Investment Association, paragraph (B) of this resolution would give the directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to

£22,729,613 (representing 454,592,260 ordinary shares of five pence each), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the company as at 25 May 2022, the latest practicable date prior to publication of this notice.

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the conclusion of the annual general meeting of the company held in 2023 or, if earlier, 1 October 2023.

The directors have no present intention to exercise the authorities sought under paragraph (B) of this resolution. As at the date of this notice, no ordinary shares are held by the company in treasury.

Resolutions 18 and 19: disapplying statutory pre-emption rights will be proposed as special resolutions

Resolutions 18 and 19 seek to give the directors the authority to allot ordinary shares (or sell any ordinary shares which the company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

The power set out in resolution 18 would be limited to: (i) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares, or as the board otherwise considers necessary, or (ii) otherwise up to an aggregate nominal amount of £1,704,721 (representing 34,094,420 ordinary shares of five pence each). This aggregate nominal amount represents approximately 5 per cent of the issued ordinary share capital of the company as at 25 May 2022, the latest practicable date prior to publication of this notice.

Explanatory notes of resolutions

In respect of the power under resolution 18(B), the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles (the Principles) regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5 per cent of the issued ordinary share capital of the company should not take place without prior consultation with shareholders.

Resolution 19 is intended to give the company flexibility to make non pre-emptive issues of ordinary shares in connection with acquisitions and other capital investments as contemplated by the Principles. The power under resolution 19 is in addition to that proposed by resolution 18 and would be limited to allotments or sales of up to an aggregate nominal amount of £1,704,721 (representing 34,094,420 ordinary shares of five pence each) in addition to the power set out in resolution 18. This aggregate nominal amount represents an additional 5 per cent of the issued ordinary share capital of the company as at 25 May 2022, the latest practicable date prior to publication of this notice.

The powers under resolutions 18 and 19 will expire at the conclusion of the annual general meeting of the company held in 2023 or, if earlier, 1 October 2023.

Resolution 20: authorising the company to make market purchases of its own shares will be proposed as a special resolution

Authority is sought for the company to purchase up to 10 per cent of its issued ordinary shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous annual general meetings. The directors have no present intention of exercising the authority to make market purchases, but the authority provides the flexibility to allow them to do so in the future.

The directors will exercise this authority only when to do so would be in the best interests of the company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the company.

The authority will expire at the conclusion of the annual general meeting of the company held in 2023 or, if earlier, 1 October 2023.

Ordinary shares purchased by the company pursuant to this authority may be held in treasury or may be cancelled. The directors would consider holding any ordinary shares the company may purchase as treasury shares. The company currently has no ordinary shares in treasury. The minimum price, exclusive of expenses, which may be paid for an ordinary share is its nominal value. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the higher of:

- (i) an amount equal to 105 per cent of the middle market value for an ordinary share for the five business days immediately preceding the date of the purchase; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out.

There are share awards outstanding over 1,874,507 ordinary shares, representing 0.27 per cent of the company's ordinary issued share capital as at 25 May 2022. If the authority to purchase ordinary shares was exercised in full and those shares were subsequently cancelled, these share awards would represent 0.31 per cent of the company's ordinary issued share capital.

Explanatory notes of resolutions

Resolution 21: adoption of the United Utilities Group PLC Long Term Plan 2022

The Company has operated the United Utilities Group PLC Long Term Plan 2013 (“LTP 2013”) since its approval by shareholders at the annual general meeting of the Company in 2013. The LTP 2013 has a ten year life and accordingly it will no longer be possible to grant any further awards under the LTP 2013 after 25 July 2023. It is therefore proposed that the United Utilities Group PLC Long Term Plan 2022 (“LTP 2022”) is adopted by the Company to replace the LTP 2013. Once adopted, the LTP 2022 will enable the Company to grant awards in respect of the Company’s shares to employees selected at the discretion of the Company’s remuneration committee, the vesting of which will be subject to the satisfaction of performance conditions (set by the Company’s remuneration committee at the time of grant). A summary of the key features of the LTP 2022 is set out in Appendix 1 to this notice of annual general meeting. It is intended that awards will be granted under the LTP 2022 to the executive directors of the Company and that such awards will be made in accordance with the Directors’ Remuneration Policy set out on pages 169 to 176 of the annual report and financial statements. Details of the performance conditions that will be applied in respect of the first awards proposed to be made under the LTP 2022 are set out on pages 181 to 182 of the annual report and financial statements.

Subject to Resolution 21 being passed by the Company’s shareholders, it is intended that the LTP 2022 shall be adopted by the Company and that following such adoption no further awards shall be made under the LTP 2013.

A draft form of the rules of the LTP 2022 are available for inspection as noted on page 32 of this notice.

Resolution 22: notice of general meeting will be proposed as a special resolution

The Companies Act 2006 requires the notice period for general meetings of the company to be at least 21 days. Under its articles of association, the company is currently able to call general meetings (other than an annual general meeting) on not less than 14 days’ notice and would like to preserve this ability. In order to do so, shareholders must first approve the calling of meetings on 14 days’ notice. The shorter notice period would not be used as a matter of routine, but only when the flexibility was merited by the business of the meeting and the circumstances requiring the business. The approval will be effective until the end of the 2023 annual general meeting of the company, or, if earlier, 1 October 2023 when it is intended that a similar resolution will be proposed.

Resolution 23: authorising political donations and political expenditure

Shareholder approval is required for donations to political parties, independent election candidates and other political organisations, and for other political expenditure. The company does not make, and does not intend to make, donations to political parties. However, the definition of political donations is very broad and includes expenses incurred as part of the process of having dialogue with members of parliament and opinion formers to ensure that the issues and concerns of United Utilities are considered and addressed. The resolution seeks to ensure that the company and its subsidiaries remain within the law in carrying out these activities. The approval will be effective until the end of the 2023 annual general meeting of the company, or, if earlier, 1 October 2023 when it is intended that a similar resolution will be proposed.

Appendix 1

THE UNITED UTILITIES GROUP PLC LONG TERM PLAN 2022 (“LTP 2022”)

Status of the LTP 2022

The LTP 2022 is not a tax advantaged scheme and awards made under it will have no beneficial tax status.

Eligibility

All employees (including executive directors) of the Company and any of the subsidiaries under its control (“Group”) may be granted awards under the LTP 2022.

Types of award

Awards made under the LTP 2022 may take the form of a Conditional Award, an Option or a Cash Award.

- › A Conditional Award is a conditional right to receive fully paid ordinary shares in the capital of the Company (“Shares”) automatically (without any action on the part of the award holder) provided that the conditions imposed on such award are satisfied.
- › An Option is a right to acquire Shares (with an exercise price set at zero) which has to be exercised by the award holder in order for them to acquire Shares.
- › A Cash Award is a right to be paid a cash payment calculated by reference to the market value of the Shares (measured at the point of vesting) in respect of which such award ultimately vests.

Grant of awards

The remuneration committee of the Company (“Remuneration Committee”), will have absolute discretion to select the persons to whom awards under the LTP 2022 may be granted and, subject to the limits set out below, the number of Shares over which any such award is granted. The Remuneration Committee will also have absolute discretion to decide whether any award will be granted as a Conditional Award, an Option or a Cash Award.

Awards may be granted in the period of 42 days commencing on: (a) the dealing day after the date that the LTP 2022 is adopted by the Company; (b) the dealing day immediately following the date that the Company announces its results for any period; and (c) any other date fixed by the Remuneration Committee, where, in its discretion, circumstances are considered to be exceptional so as to justify the grant of awards.

If the grant of an award on any of the above days would be prohibited by virtue of the Company’s share dealing code, any statute, regulation or any order made thereunder or any governmental directive, then such award may be granted during the period of 40 days commencing on the second dealing day immediately following the time that such prohibition ceases to have effect.

No consideration is payable for the grant of an award.

Plan limits

On any date, no award may be granted under the LTP 2022 if, as a result, the aggregate nominal value of Shares issued or issuable pursuant to awards granted during the previous ten years under the LTP 2022 or any other discretionary employees’ share scheme adopted by the Company would exceed five per cent of the nominal value of the ordinary shares of the Company in issue on that date.

For these purposes a discretionary employees’ share scheme excludes any Save As You Earn Scheme meeting the conditions of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003, a Share Incentive Plan meeting the conditions of Schedule 2 to that Act or any other share option scheme of the Company which is linked to a contractual savings scheme.

On any date, no award may be granted under the LTP 2022 if, as a result, the aggregate nominal value of the Shares issued or issuable pursuant to awards granted during the previous ten years under the LTP 2022 or any other employees' share scheme adopted by the Company would exceed ten per cent of the nominal value of the ordinary shares of the Company in issue on that date.

For the purposes of the limits set out above:

- › any Shares which were subject to an award which has lapsed or been surrendered will not count towards the limits;
- › where an award takes the form of a right to acquire Shares from a person other than the Company or is an award which may be satisfied by the transfer of Shares by such a person, such Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company to such other person for the purposes of the LTP 2022 or any other employees' share scheme operated by the Company;
- › Shares held in treasury which are used to satisfy awards shall be taken into account unless and until treasury shares are no longer required by the Investment Association to be so included for the purpose of such limits; and
- › Shares subject to Cash Awards which are to be settled with a cash payment shall not count towards the limits.

Individual limit

Each individual's participation is limited so that, in any one financial year of the Company, the aggregate market value of Shares subject to all awards (calculated as at the date of grant of each award) granted to the individual under the LTP 2022 in that financial year, will not exceed 200 per cent of the individual's basic salary at the date of grant.

Performance targets and the holding period

Awards granted under the LTP 2022 will be subject to a performance target set by the Remuneration Committee at the date of grant ("Performance Target").

Such Performance Target shall be measured over a performance period determined by the Remuneration Committee at the date of grant but which shall not be less than three years and shall not commence before the last day of the financial year of the Company which ends immediately prior to the date of grant ("Performance Period"). The Performance Target may include metrics or conditions, the measurement of which may relate to a period which commences prior to the start of the Performance Period but which ends during the course of the Performance Period provided that other conditions forming part of the Performance Target are measured over the Performance Period.

Subject to the satisfaction of the relevant Performance Target, an award will normally "vest" following a date ("Vesting Date") specified at the date of grant of the award.

In respect of any award granted to an eligible employee other than an executive director of the Company, the Vesting Date for such award will normally be a date selected by the Remuneration Committee which occurs after the expiry of the relevant Performance Period and, unless the Remuneration Committee determines otherwise, not before the third anniversary of the date of grant. However the Remuneration Committee may set the Vesting Date for an award so that vesting of the relevant award is delayed for a further period ("holding period") following the end of Performance Period relating to the Award.

In respect of any award granted to an executive director of the Company, the Vesting Date for such Award will always be set to occur at the end of a holding period determined by the Remuneration Committee. Such holding period shall be a period commencing at the end of the Performance Period applicable to the award, but shall not end before the later of: (i) the fifth anniversary of the date of grant of the award; and (ii) the fifth anniversary of the start of the Performance Period relating to the Award.

Should the Remuneration Committee determine to apply a holding period to any award granted to an individual who is not an executive director of the Company, the length of such holding period shall be determined by the Remuneration Committee.

When an Option vests such award will become capable of exercise.

When a Conditional Award or a Cash Award vests, the award holder will become beneficially entitled to receive cash (in the case of such a Cash Award) or become beneficially entitled to receive Shares (in the case of such a Conditional Award).

The extent to which an award vests (and hence the number of Shares or quantum of cash payment to be delivered to the award holder pursuant to the award) will normally be determined in accordance with the Performance Target that applies to the award in question. Accordingly the vesting of any award may not normally occur unless and until the Remuneration Committee has determined the extent to which the Performance Target applying to the award has been satisfied.

Performance Underpin

Regardless of the extent to which the Performance Target applying to an award is satisfied, the extent to which the award vests in accordance with such

Performance Target may be reduced (including to nil) to such number of Shares as the Remuneration Committee, in its sole discretion, deems appropriate in any case where the Remuneration Committee having taken into account such factors as it deems relevant, considers that:

- › without such a reduction, the number of Shares that would otherwise vest in accordance with the formulaic outcome of the Performance Target does not reflect the underlying performance of the award holder and/or the Group over the Performance Period in respect of which the Performance Target is measured; or
- › without such a reduction, the number of Shares that would otherwise vest in accordance with the formulaic outcome of the Performance Target is not appropriate in the context of circumstances that were unexpected or unforeseen at the date of grant of the award; or
- › there exist any other circumstances which the Remuneration Committee considers ought to justify a reduction in the number of Shares that would otherwise vest in accordance with the formulaic outcome of the Performance Target.

If events occur which cause the Remuneration Committee reasonably to consider that a different or amended target would be a fairer measure of performance, the Remuneration Committee may waive or amend the original Performance Target in such manner as it deems fit provided that any such amended target is not materially less difficult to achieve than the original Performance Target.

It should also be noted that a Performance Target, applying to an award, may be measured over an abbreviated period less than the Performance Period in circumstances where an award holder

ceases to be an employee before the end of the relevant Performance Period or certain corporate events occur (such as a change of control of the Company) before the end of the relevant Performance Period. In these circumstances such Performance Target may be assessed over such abbreviated period on such modified basis as the Remuneration Committee reasonably thinks fit. Any Performance Target that is modified in such circumstances shall only be modified in such manner as is, in the opinion of the Remuneration Committee, fair and reasonable having regard to the abbreviated Performance Period and in such way as may not cause the achievement of the modified Performance Target to be materially less difficult to achieve than the original Performance Target.

The Remuneration Committee has the right to determine and set different performance targets in relation to any award made under the LTP 2022.

Dividend equivalents

Until Shares have been transferred to an award holder pursuant to any Conditional Award or Option the award holder shall have no entitlement to any dividends or other distributions payable by reference to a record date preceding the date of such transfer.

The Remuneration Committee has a discretion, which must be exercised at or before the time of grant of an award, to permit the award holder to be entitled to receive additional cash and/or Shares of an aggregate value determined by reference to certain dividends. The relevant dividends for these purposes are those that would have been paid on the Shares that vest pursuant to the award in respect of dividend record dates occurring during the period from the date of grant of the award to the date that the award vests.

The Remuneration Committee may decide the basis on which the value of such dividends shall be calculated.

Normal vesting and exercise of awards

Normally, an award will only vest following the occurrence of the Vesting Date to the extent that the Performance Target has been satisfied.

Vesting of an award (and the exercise of an award structured as an Option) may however not occur unless such vesting or exercise and the transfer of Shares or payment of cash after such vesting or exercise would be lawful and in compliance with the Listing Rules, the Company's share dealing code, the City Code on Takeovers and Mergers and any other relevant regulation or enactment.

Awards structured as Options may normally only be exercised during the period specified by the Remuneration Committee at the date of grant of the award concerned ("Exercise Period"). The Exercise Period relating to any such award shall not commence prior to the Vesting Date of the award and shall not expire later than the tenth anniversary of its date of grant. All awards structured as Options will lapse on the tenth anniversary of their date of grant unless they lapse sooner pursuant to another provision of the LTP 2022.

In certain circumstances and at the discretion of the Remuneration Committee some or all of the Shares that might otherwise be delivered to an award holder pursuant to the vesting of a Conditional Award or an Option, may be settled instead by a cash payment of equivalent value.

Cessation of employment

If an award holder ceases to be employed within the Group the treatment of an award held by the award holder will differ depending on whether the Performance Period that applies to the award has expired at the time that the award holder ceases to be employed within the Group.

If an award holder dies before the Vesting Date of an award, then unless the Remuneration Committee determines otherwise, such award shall normally vest as soon as reasonably practicable after the award holder's death.

In any case where an award holder ceases to be employed within the Group prior to the end of the Performance Period relating to an award by reason of ill health, injury, disability, a sale of the entity or business that employs the award holder outside of the Group or for any other reason at the Remuneration Committee's discretion ("Good Leaver Circumstances"), then:

- › if such award is not subject to a holding period, it will continue to subsist and will normally vest on the Vesting Date in respect of such award or on such earlier date as the Remuneration Committee may specify;
- › if such award is subject to a holding period, it will continue to subsist and will normally vest on the Vesting Date in respect of such award (taking into account the holding period applicable to the award), unless the Remuneration Committee permit the award to vest as soon as reasonably practicable after such cessation or employment.

In any case where an award holder ceases to be employed within the Group prior to the end of the Performance Period relating to an award for a reason other than the Good Leaver Circumstances or their death, then such award shall lapse immediately on cessation of their employment.

In any case where an award holder ceases to be employed within the Group after the end of the Performance Period relating to an award other than by reason of their death and other than in circumstances (excluding long term sick leave) where their employer is entitled to dismiss them without notice, the award will continue to subsist and will normally vest on the

Vesting Date in respect of such award or on such earlier date as the Remuneration Committee may specify.

In any case where an award holder ceases to be employed within the Group after the end of the Performance Period relating to an award in circumstances (excluding long term sick leave) where their employer is entitled to dismiss them without notice, such award will lapse immediately on cessation of employment.

In relation to any award in respect of which the Performance Period has not fully expired at the date of cessation of employment of the award holder, the number of Shares in respect of which such award vests shall be determined by:

- › unless the Remuneration Committee determines otherwise, pro-rating down the number of Shares subject to the award on a time apportioned basis by reference to the time that has elapsed from the start of the Performance Period relating to the award in question to the date of cessation of employment; and
- › assessing the extent to which the Performance Target in respect of the award has been met either once the Performance Period has expired in any case where the award does not vest before the Vesting Date of the award or at such earlier time as has been stipulated by the Remuneration Committee in the circumstances summarised above.

The Remuneration Committee has a discretion to assess the Performance Target on such modified basis as it reasonably thinks fit in any case where in accordance with the provisions summarised above in respect of cessation of employment, it is necessary to assess the Performance Target applying to an award prior to the end of the applicable Performance Period.

In the case of the death of an award holder, any Option held by the award holder at the date of their death shall, to the extent that it vests as a result of the award holder's death or had already vested at the time of the award holder's death, be capable of exercise by the award holder's personal representatives for a period of 12 months following the date of death.

In any case where an Option held by the departing award holder vests in accordance with the provisions summarised above in respect of cessation of employment (other than by virtue of the award holder's death), it shall be capable of exercise by the award holder to the extent that it has vested for a period of 6 months from the date on which it vested.

Corporate events

Vesting of awards is possible earlier than the Vesting Date in the event of a takeover of the Company, a scheme of arrangement under Part 26 or section 901F of the Companies Act 2006 being sanctioned by the court in relation to the Company, a nationalisation of the Company being proposed or a resolution being passed for the voluntary winding up of the Company. If a demerger, special dividend or other similar event is proposed which the Remuneration Committee believes will affect the market price of a Share to a material extent, the Remuneration Committee may, at its discretion, also allow awards to vest. In the context of a nationalisation of the Company or a relevant demerger, special dividend or other similar event being proposed, the Remuneration Committee may allow the awards to vest (or awards structured as Options to be exercised) at a time prior to the relevant event or in the case of a proposed demerger, special dividend

or other similar event, conditionally upon the occurrence of the relevant event in question and in the case of a proposed nationalisation of the Company, conditionally upon the occurrence of an event preceding the nationalisation.

In relation to a takeover of the Company or a change of control of the Company occurring pursuant to a scheme of arrangement being sanctioned by the court, then the Remuneration Committee, may with the consent of the acquiring company, instead of allowing the awards to vest, require the award holders to exchange their exiting unvested awards for equivalent awards over shares in the capital of the acquiring company or some other company.

In any case where one of the corporate events referred to in the preceding paragraphs occurs, the number of shares in respect of which an award which has not already vested at the time of the relevant corporate event, shall be determined by:

- › unless the Remuneration Committee determines otherwise, pro-rating down the number of Shares subject to the award on a time apportioned basis by reference to the time that has elapsed from the start of the Performance Period relating to the award in question to the date of the relevant corporate event; and
- › assessing the extent to which the Performance Target relating to the award has been met at the date of the corporate event concerned.

The Remuneration Committee has a discretion to assess the Performance Target on such modified basis as it reasonably thinks fit in any case where by virtue of a corporate event occurring during the course of the Performance Period, it is necessary to assess the Performance Target applying to an award prior to the end of the applicable Performance Period.

Any award that is an Option shall be capable of exercise, to the extent vested, for a limited period following the corporate event concerned, or in some cases prior to or conditional upon the corporate event occurring. In any case where an Option is not exercised in the period so permitted, the Option shall lapse at the expiry of such period.

Malus and clawback

The Remuneration Committee may take such steps as it considers appropriate to reduce the number of Shares subject to an award (to nil if appropriate) and/or impose further conditions on the award in any of the following circumstances (“Malus and Clawback Circumstances”):

- › there has been a material misstatement of the Company’s audited financial results;
- › an error has been made in the calculation of the number of Shares or the amount of any cash payment to be delivered to an award holder pursuant to an award whether on the basis of erroneous or misleading data or otherwise (including, but not limited to, an error in the assessment of any Performance Target imposed on the award) which would, if not corrected, result in the award holder concerned receiving greater value than would have been the case had the error not occurred;

- › in the event that there is gross misconduct on the part of the award holder holding the award concerned which in the Remuneration Committee’s opinion should lead to the summary dismissal of that award holder;
- › if the Company, any member of its Group and/or a relevant business unit has suffered serious reputational damage as a result of the award holder’s misconduct or otherwise;
- › if there has been a serious failure of risk management by the Company, any member of its Group and/or relevant business unit;
- › if the Company suffers corporate failure;
- › in such other circumstances as the Remuneration Committee determines appropriate.

Any award holder who is: (i) a band 1 executive (which includes any executive director of the Company) at the time of grant of their award; or (ii) any person who has been notified at or before the time that an award is granted to them that they will be subject to the clawback provision of the Plan, will also be subject to additional clawback provisions.

Pursuant to such provisions, the Remuneration Committee may decide at any time within the period of two years following the date on which it determines the extent to which the Performance Target applying to an award has been satisfied that if any of the Malus and Clawback Circumstances are present, such amount as the Remuneration Committee determines may be recovered from the award holder concerned. In such event, recovery may be made by way of a reduction in any future bonus, reduction of the number of Shares subject to an existing award and/or by way of the award holder making a cash payment to the Company.

Other award terms

Awards are not capable of transfer or assignment during the life of the award holder.

Shares allotted for the purpose of the Plan will rank *pari passu* in all respects with the Shares already in issue except for rights which attach to Shares by reference to a record date preceding the date of issue. Shares transferred on the exercise or vesting of an award shall be transferred without the benefit of any rights (including voting rights) attaching to the Shares by reference to a record date preceding the date of such transfer. For so long as the Company's Shares are listed on the Official List of the London Stock Exchange ("Official List"), the Company will use its best endeavours to procure that the Shares issued to satisfy any awards are admitted to the Official List as soon as practicable after allotment.

Benefits obtained under the LTP 2022 are not pensionable.

Adjustment of awards

The number of Shares under an award and their nominal value may be adjusted by the Remuneration Committee in the event of any capitalisation issue or rights issue (other than an issue of Shares pursuant to the exercise of an option given to the shareholders of the Company to receive shares in lieu of a dividend) or open offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital.

Administration and amendment

The LTP 2022 is administered by the Remuneration Committee. The Remuneration Committee may amend the provisions of the LTP 2022. The rules of the LTP 2022 which relate to:

- › the persons to whom Shares or cash are provided under the LTP 2022;
- › the limits on the number of Shares or cash which may be issued under the LTP 2022;
- › the maximum entitlement of any eligible employee;
- › the basis for determining an eligible employee's entitlement to Shares, cash or awards; and
- › the basis for determining the adjustment of any award granted under the LTP 2022 in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital of the Company,

cannot be amended to the advantage of any award holder or potential award holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the LTP 2022, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders or the Company or any member of the Group.

Termination

The LTP 2022 may be terminated at any time by resolution of the Remuneration Committee and shall in any event terminate on the tenth anniversary of its adoption by the Company so that no further awards can be granted under the LTP 2022 after such termination. Termination shall not affect the outstanding rights of existing award holders.

General information

Questions

Shareholders have a statutory right in accordance with section 319A of the Companies Act 2006 to ask and to receive an answer to a question relating to the business of the meeting, although an answer need not be given if in doing so, among other things, it was considered undesirable in the interests of the company or the good order of the meeting or if it involved the disclosure of confidential information.

Website

A copy of this notice of meeting and details of the company's share capital in accordance with section 311A of the Companies Act 2006 are available on the company's website at unitedutilities.com/corporate

Security

Security personnel will be on hand at the meeting and we reserve the right to search the bags of any person seeking to access the venue. No recording equipment must be used. The company also reserves the right to take appropriate measures in response to any Government guidance in place on the date of the meeting, as appropriate.

Admission card

You should bring your admission card to the meeting if you are attending the venue, as it will speed up the registration process, it also serves as your poll card. If you do not have your admission card, you will need proof of identity before you can be admitted. The doors will open at 10.00am and the meeting will start at 11.00am.

Documents

Copies of executive directors' service contracts and non-executive directors' letters of appointment will be available for inspection at the venue for at least 15 minutes prior to, and until the close, of the meeting. Similarly, a copy of the draft form of the rules of the United Utilities Group PLC Long Term Plan 2022 will be available for inspection at the location of the annual general meeting from at least 15 minutes before the start of the annual general meeting until it ends and on the National Storage Mechanism at <http://data.fca.org.uk/#/nsm/nationalstoragemechanism> from the date that the notice of annual general meeting is sent to shareholders.

Voting

The record date for entry on the register of members for a member to have the right, to attend and vote at the meeting is 6.30pm on Wednesday 20 July 2022 (or, if the meeting is adjourned, 6.30pm on the day two days before the date fixed for the reconvened meeting). A poll vote will be held on each resolution and scrutinised by Equiniti ensuring the votes cast are correctly recorded, including any proxy votes. The company believes that a poll is more representative of shareholders' voting intentions because shareholder votes are counted according to the number of ordinary shares held and all votes tendered are taken into account. One vote can be cast for each ordinary share held. Members have the right to request information to enable them to determine that their vote was validly recorded and counted. If you wish to receive this information, please contact Equiniti (see page 39).

Proxy appointment

Every shareholder who is entitled to attend and vote has the right to appoint one or more persons as their proxy. A proxy need not be a shareholder. Shareholders can appoint the chairman of the meeting as their proxy, or another person. More than one proxy may be appointed provided each proxy is appointed to exercise rights in respect of a different share or shares held by the shareholder. Where a member appoints multiple proxies but the proxy forms submitted by that member would give the appointed proxies the apparent right to exercise a number of votes on behalf of that member in a general meeting in excess of the number of shares actually held by that member, then each of those proxy forms will be invalid and none of the proxies appointed under those proxy forms will be entitled to attend, speak, or vote at the AGM.

You may appoint your proxy or proxies electronically or by completing, detaching and returning the proxy form enclosed with this notice. The deadline for receipt by email by Equiniti is no later than 11.00am on Wednesday 20 July 2022.

To be valid, completed proxy forms must be received by the company's registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA by no later than 11.00am on Wednesday 20 July 2022. The return of a completed proxy form will not prevent a shareholder from attending the AGM and voting in person if they wish to do so. If a proxy form is lodged with the registrar, and a shareholder subsequently attended and wished to vote, the original proxy vote would be disregarded. To appoint more than one proxy, you may photocopy the form of proxy or request additional forms from the company's registrar, Equiniti, by telephone on **0371 384 2041**. Lines are open 8.30am to 5.30pm Monday to Friday excluding public holidays in England and Wales or for overseas shareholders **+44 121 415 7048**, or by writing to them at the above address. Multiple proxy appointments should be returned together in the same envelope.

The company is not under any obligation to investigate whether the exercise of any vote by any proxy accords with any instruction given by his appointor.

General information

Persons nominated to enjoy information rights

If you are not a shareholder, but enjoy information rights under the Companies Act 2006, you are not entitled to appoint a proxy. However, there may be an agreement between you and your nominating shareholder which entitles you to be appointed, or to have someone else appointed, as their proxy. If you don't have this right, or don't wish to exercise it, you may still be entitled under such an agreement to give instructions to that shareholder as to how you would like them to vote.

Electronic proxy voting

Shareholders can register the appointment of a proxy for this meeting at **sharevote.co.uk** which is run by Equiniti. To do this, you'll need the three numbers (voting ID, task ID and shareholder reference number) that are quoted on your proxy form. Then follow the instructions on the website. If you have already registered with the company's registrar's online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at **shareview.co.uk** using your usual user ID and password. Once logged in simply click 'View' on the 'My Investments' page, click on the link to vote then follow the on screen instructions. The appointment of a proxy must be received by Equiniti no later than 11.00am on Wednesday 20 July 2022.

Please read the terms and conditions relating to the use of this facility before appointing a proxy. These terms and conditions may be viewed on the website. You may not use any electronic address provided in this notice to communicate with the company for any purpose other than those stated. Any electronic communication sent by a shareholder that is found to contain a virus will not be accepted.

CREST electronic proxy appointment service

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to act on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to an instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) no later than 11.00 am on Wednesday 20 July 2022 (or not less than 48 hours before any adjourned meeting).

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.00am on Wednesday 20 July 2022 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Corporate representative

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. Where a member appoints more than one corporate representative in respect of its shareholding, but in respect of different shares, those corporate representatives can act independently of each other and validly vote in different ways. The company is not under any obligation to investigate whether the exercise of any vote by any corporate representative accords with any instruction given by his appointor.

General information

Issued share capital

As at 25 May 2022 (being the latest practicable date prior to the publication of this document):

- (i) the company's issued share capital consisted of 681,888,418 ordinary shares of five pence each and 273,956,180 deferred shares of 170 pence each; and
- (ii) the total voting rights in the company were 681,888,418.

Shareholder requests

Under section 527 of the Companies Act 2006 (the Act), members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to:

- (i) the audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting; or
- (ii) any circumstance connected with an auditor of the company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting includes any statement that the company has been required under section 527 of the Act to publish on a website.

Under sections 338 and 338A of the Act, shareholders may request the company to give notice of a resolution which is intended to be moved at an annual general meeting, or to include in the business of an annual general meeting other business which may properly be so included, provided that the resolution or other business would not be defamatory, frivolous or vexatious, and in the case of a proposed resolution, provided that the resolution would not be ineffective. The company will give notice of such a resolution or of such other business if sufficient requests have been received in accordance with sections 338(3) and 338A(3) of the Act.

Privacy

Visit [unitedutilities.com/privacy](https://www.unitedutilities.com/privacy) for details of how we handle your personal details.

United Utilities AGM Online Guide



Meeting Access

Shareholders can participate in the meeting remotely, via: <https://web.lumiagm.com/169-494-575>

This can be accessed online using the latest version of Chrome, Firefox and Safari on your PC, laptop, tablet or smartphone. On accessing the meeting platform, you will be asked to enter your unique shareholder reference number (SRN) which can be found on your proxy card (and your admission and poll card), and PIN (which is the first two and last two digits of your SRN). Access to the Lumi platform will be available for an hour prior to the start of the meeting. If you experience any difficulties please contact Equiniti by emailing hybrid.help@equiniti.com stating your full name, postcode and SRN.



Broadcast

Once logged in, and at the commencement of the meeting, you will be able to follow the proceedings on your device.



Voting

Once the Chair has formally opened voting, the list of resolutions will automatically appear on your screen. Select the option that corresponds with how you wish to vote.

Once you have selected your vote, the option will change colour and a confirmation message will appear to indicate your vote has been cast and received, there is no submit button.

To vote on all resolutions displayed select the “vote all” option at the top of the screen.

To change your vote, reselect your choice. To cancel your vote, select the “cancel” button. You will be able to do so whilst the poll remains open and before the Chair announces the poll is closed.



Q&A

Questions on the day can be submitted either as text via the Lumi messaging function or verbally via the Virtual Mic. Details of how to access the Virtual Mic will be provided on the day of the meeting, once you are logged into the Lumi platform.

To ask a question via the Lumi messaging function, select the messaging icon from within the navigation bar and type your question at the top of the screen.

To submit your question, click on the arrow icon to the right of the text box.



Requirements

An active internet connection is always required in order to allow you to cast your vote when the poll opens, submit questions and view the broadcast. It is your responsibility to ensure you remain connected for the duration of the meeting. As well as having the latest internet browser installed, you must ensure your device is up to date with the latest software release.

Duly appointed proxies and corporate representatives

To receive your unique SRN and PIN please contact the company’s registrar Equiniti by emailing: hybrid.help@equiniti.com. To avoid any delays accessing the meeting, contact should be made at least 24 hours prior to the meeting date and time.

Mailboxes are monitored 9.00am to 5.00pm Monday to Friday (excluding public holidays in England & Wales).



Shareholder information

Key dates

- **23 June 2022**
Ex-dividend date for 2021/22 final dividend
- **24 June 2022**
Record date for 2021/22 final dividend
- **11 July 2022**
DRIP election date for 2021/22 final dividend
- **22 July 2022**
Annual general meeting
- **1 August 2022**
Payment of 2021/22 final dividend to shareholders
- **23 November 2022**
Announcement of half-year results for the six months ending 30 September 2022
- **22 December 2022**
Ex-dividend date for 2022/23 interim dividend
- **23 December 2022**
Record date for 2022/23 interim dividend
- **11 January 2023**
DRIP election for the 2022/23 interim dividend to shareholders
- **1 February 2023**
Payment of 2022/23 interim dividend to shareholders
- **May 2023**
Announce the final results for the 2022/23 financial year
- **June 2023**
Publish the annual report and financial statements for the 2022/23 financial year

Electronic communications

We are encouraging our shareholders to receive their shareholder information by email and via our website. Not only is this a quicker way for you to receive information, it helps us to be more sustainable by reducing paper and printing materials and lowering postage costs.

Registering for electronic shareholder communications is very straightforward, and is done online via shareview.co.uk which is a website provided by our registrar, Equiniti.

Log on to shareview.co.uk and you can:

- Set up electronic shareholder communication;
- View your shareholdings;
- Update your address details if you change your address; and
- Have your dividends paid directly into your bank account.

Please do not use any electronic address provided in this notice or in any related document to communicate with the company for any purposes other than those expressly stated.

Dividends paid direct to your bank account

Make life easier and have your dividends paid straight into your bank account:

- The dividend goes directly into your bank account and is available immediately;
- No need to pay dividend cheques into your bank account;
- No risk of losing cheques in the post;
- No risk of having to replace spoiled or out-of-date cheques; and
- It's cost-effective for your company.

To take advantage of this, please contact Equiniti via shareview.co.uk or complete the dividend mandate form that you receive with your next dividend cheque.

If you choose to have your dividend paid directly into your bank account you'll receive one tax voucher each year. This will be issued with the interim dividend normally paid in February and will contain details of all the dividends paid in that tax year. If you would like to receive a tax voucher with each dividend payment, please contact Equiniti.

Registrar's details

The group's registrar, Equiniti, can be contacted on: **0371 384 2041** or textphone for those with hearing difficulties: **0371 384 2255**. Lines are open 8.30am to 5.30pm, Monday to Friday excluding public holidays in England and Wales.

The address is:
Equiniti, Aspect House, Spencer Road,
Lancing, West Sussex, BN99 6DA.

Overseas shareholders may contact them on:
+44 (0)121 415 7048

Equiniti offers a share dealing service by telephone:
0345 603 7037 and online: shareview.co.uk/dealing

Equiniti also offers a stocks and shares ISA for United Utilities shares: call **0345 300 0430** or go to: shareview.co.uk/dealing

Keeping you in the picture

You can find information about United Utilities quickly and easily on our website: unitedutilities.com/corporate including: the annual report and financial statements, company announcements, the half-year and final results and the accompanying presentations.

Warning to shareholders

Please be very wary of any unsolicited contact about your investments or offers of free company reports. It may be from an overseas 'broker' who could sell you worthless or high risk shares. If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme. Further information and a list of unauthorised firms that have targeted UK investors is available from the Financial Conduct Authority at: fca.org.uk/consumers/unauthorised-firms-individuals

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Water for the North West