

United Utilities Group PLC

Notice of Annual General
Meeting 2021



Chairman's Letter



Sir David Higgins
Chairman

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

2021 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 in the Exchange Rooms at **Manchester Central Convention Complex, Windmill St, Manchester M2 3GX** (the 'venue'), on Friday 23 July 2021 at 11.00am.

The notice of annual general meeting is set out on pages 10 to 13, together with explanatory notes on pages 14 to 23. The 31 March 2021 annual report and financial statements are available on our website along with an electronic copy of this notice of meeting at [unitedutilities.com/corporate](https://www.unitedutilities.com/corporate)

Important information about the Annual General Meeting this year

At the time of writing, whilst some of the restrictions have been lifted, we are still living with the uncertainties associated with the COVID-19 pandemic.

The health and wellbeing of the company's shareholders, customers and employees is of paramount importance. With this in mind, although we are arranging a physical annual general meeting (as required by the company's articles of association), we are broadcasting the meeting live on the day via the internet, enabling shareholders to observe the meeting, and submit questions in writing. Please refer to pages 28 to 29 for further details and a step-by-step guide on how to access the 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. Please note the broadcast is provided for information purposes only and shareholders will not form part of the meeting for legal purposes, nor will shareholders be able to vote virtually via the website during the proceedings, as this is not permitted by the company's existing articles of association.

We will continue to review our AGM arrangements in light of changes to Government guidance and will implement whatever measures are required on the day. In the event of changes being made to the arrangements for the meeting, shareholders are encouraged to monitor the AGM page on the company's website for any updates.

Voting

Whatever the restrictions, 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) that are printed on your proxy form; or
- › complete your proxy voting form and appoint the chairman of the meeting to act in accordance with your instructions, and post it to the pre-printed address, or take a photograph of your completed proxy form and email it to proxyvotes@equiniti.com; or
- › if you have registered with Equiniti's online portfolio service, you can appoint the chairman as your proxy at shareview.co.uk; or
- › vote in person by attending the meeting.

Proxy votes must be received by 11.00am on Wednesday 21 July 2021. Further information can be found on page 24. 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 of the financial year ended 31 March 2021 of 28.83 pence per ordinary share will be paid on 2 August 2021 to those members whose names appear on the register at the close of business on 25 June 2021.

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.

Yours faithfully



Sir David Higgins
Chairman

Chairman and Chief Executive Officer's review



Sir David Higgins
Chairman



Steve Mogford
Chief Executive Officer

We have responded well to the challenges of a year that has been dominated by the impact of COVID-19 in maintaining service and support so critical to customers in the North West. Our operational performance has been strong, building on the improvements we delivered in the previous regulatory period and providing us with a great start to achieving our targets for the new 2020–25 price review period (AMP7).

This has been an unprecedented year in which we have had to adapt our operations to protect customers, employees and supply chain partners from the impact of COVID-19.

We responded well to the challenges and delivered our best ever year of operational performance for customers and the environment. Customer satisfaction remains high and we have made a strong start against our customer outcome delivery incentives (ODIs). This year has seen us reduce leakage to its lowest ever level and supply interruptions to customers have been halved. We are on track to achieve the maximum 4 star rating in the Environment Agency's assessment for 2020, and have reduced environmental pollution incidents by around a third.

Our operational performance has been strong against key metrics and we are pleased to have met or exceeded over 80 per cent of our performance commitments for year 1 of AMP7. In those areas where we have fallen short of our target – such as sewer flooding – we are innovating and investing in new technology in order to improve performance and service to customers over the longer term.

We witnessed further variability in weather conditions now characteristic of climate change. Our region experienced a hot, dry spring that, coupled with people spending more time at home, resulted in a high level of demand for water. We continued to encourage customers to save water through water efficiency programmes, helping them to preserve this precious resource and save money on their bills. Throughout this period we maintained supplies to customers, demonstrating the benefits of our Systems Thinking approach and supported by the investment we made in previous regulatory periods to enhance the resilience of our services.

We have a deep and strong relationship with the environment and communities of the North West. Our plans ensure we protect and improve the natural environment and for many years we have been at the forefront of addressing climate change. We are proud to be a signatory to the UN's Race to Zero campaign and we are delivering against all of our six carbon pledges. Our purpose drives us to make a real, positive contribution to the communities we serve through everything we do, and our investment programme plays a significant role in supporting the North West economy.

This excellent start to the delivery of our AMP7 plans provides a strong platform for us to play our full part in the economic recovery of the communities we serve as the country emerges from the COVID-19 pandemic.

Maintaining excellent service to customers whilst supporting our employees

Our continued focus on delivering the best service to customers has never been more important. We delivered significant and sustainable improvements over AMP6 and we ended the period as a leading water and wastewater company. The way Ofwat measures customer satisfaction in AMP7 has changed, with C-MeX measuring household customer satisfaction and D-MeX measuring developer satisfaction. Despite a challenging operating environment, customer satisfaction remains high, earning us an outperformance payment for both C-MeX and D-MeX and positioning us in the sector upper quartile for all-round customer satisfaction.

The impact of COVID-19 has led to many customers facing increasing financial hardship. At the start of the pandemic we saw an increase in the number of customers needing affordability support and the initiatives we put in place in AMP6 enabled us to respond swiftly and effectively. We were the first water company to secure support and regulatory approval for an extension to the scale and scope of our social tariff, providing an additional £15 million to help a further 45,000 customers. We had to consider the appropriateness of continuing our normal billing and collection activities and the most suitable means of engagement. As part of our COVID-19 response, we proactively encouraged customers to contact us if they had been impacted financially by the pandemic. We carried out targeted activities aligned to specific customer segments and changes in customer behaviour to engage with customers, ensuring they knew they could talk to us about their water bill, and highlighting alternative ways to pay.

We could not have delivered such great service to customers during this time without highly engaged and motivated colleagues right across the organisation who demonstrate tremendous resilience and adaptability to deliver for a region hard hit by the pandemic. To keep employees safe, early on in the year we moved 60 per cent of our workforce to home working and the remainder continued working at our COVID-19 secure facilities. We have continued to work in this way in line with the government roadmap out of lockdown, whilst defining and shaping the way for future working. Our employee engagement score this year positioned us above the norm for UK high performing companies – a remarkable score given the past year and testimony to the cohesiveness of the United Utilities team.

Chairman and Chief Executive Officer's review

Transforming into a digital utility

Through our Systems Thinking approach we make use of technology, automation and machine intelligence to deliver better performance for customers and the environment.

Through implementation of Dynamic Network Management – an example of the most advanced form of Systems Thinking in the water sector – we are shifting from reactive management of our wastewater network to using a web of sensors that will provide near real-time performance information. This new digital capability will optimise performance in a predictive and preventative way, delivering greater efficiency, improved service to customers and helping to enhance the environment.

We recognise the benefits to be gained through building digital skills among our workforce, and our purpose-built technical training academy, established in 2014, has provided skills development and certification to over 2,800 colleagues. The focus on digital skills means that we have the in-house ability to develop and deploy breakthrough technologies at pace and efficiently.

We make extensive use of apps, many of which are developed in-house, to create digital capability for our field and customer service facing teams. Our new voids app, aimed at unbilled but occupied properties, has helped us to earn the maximum customer ODI outperformance payment on voids this year as well as securing future year benefits of a further £24 million over AMP7.

Delivering a robust financial performance

We have delivered another year of robust financial performance, supported by the strength of our balance sheet.

Underlying earnings per share is 56.2 pence, a decrease of 21 per cent but more than covering the dividend for the year. The anticipated decrease is due to lower allowed regulatory revenue in the first year of the new regulatory period, and an increase in infrastructure renewals expenditure due to planned work to optimise the performance of our network, higher depreciation reflecting continued investment in the asset base and a slight increase in the remaining cost base. This is partly offset by a decrease in the underlying net finance expense reflecting lower inflation applied to our index-linked debt. We have simplified our approach to alternative performance measures (APMs) this year and are no longer, as a matter of course, adjusting our underlying earnings for restructuring costs, net pension interest, capitalised borrowing costs and prior years' tax matters. This brings our approach more in line with peers and therefore makes cross-company comparisons easier.

Reported earnings per share is 66.5 pence per share, which is higher than the underlying figure, mainly due to fair value movements. Adjusting items are outlined in the reconciliation table on pages 82 and 83 of the annual report and financial statements 2021, and reflect our change in approach to APMs with prior year numbers re-presented for comparability.

The board has proposed a final dividend of 28.83 pence per ordinary share, taking the total dividend for 2020/21 to 43.24 pence. This is an increase of 1.5 per cent, in line with our policy in this regulatory period of targeting an annual growth rate of CPIH inflation through to 2025.

Our balance sheet continues to be one of the strongest in the sector, with low customer debtor risk, net debt to regulatory capital value within our target range and a pension scheme that is fully funded on a low dependency basis.

Given the uncertainty created by the COVID-19 pandemic, the recoverability of household debtors has been a key area of focus. It has been an area of focus for us for most of the last decade, during which we have managed the position robustly. This manifests itself in the balance reducing from £115 million in 2016 to £78 million in 2021. Our net debtor balance as at 31 March 2021 is the lowest it has been for five years and is one of the best managed positions in the sector. Knowing this gives us added confidence as we emerge from the pandemic.

We have retained our policy of targeting gearing of 55–65 per cent, measured as net debt to regulatory capital value, for this new regulatory period and at 62 per cent, our gearing remains within this target range. During the year, we changed our definition of net debt to exclude the impact of derivatives that are not hedging specific debt instruments. This provides a better reflection of the debt balances we are contractually obliged to repay and is more consistent with the approach taken by credit rating agencies and the regulatory economics. Our gearing policy is supportive of United Utilities Water Limited's A3 credit rating with Moody's and we have liquidity extending out to August 2023. This provides us with resilience and financial flexibility as we progress through AMP7 and demonstrates our prudent and responsible approach to financial risk management.

We have eliminated our pension funding deficit on a low-dependency basis and our pension position is in surplus on an IAS 19 basis. Having no pension funding deficit puts us at an underlying advantage versus most other companies in the sector, as well as against many companies in the Financial Times Stock Exchange

(FTSE), that continue to make cash contributions into their pension schemes to achieve a fully funded position. We are proud to have already achieved this, protecting employees past and present and shareholders from the risk of a large pension deficit.

In November 2020, we published our new sustainable finance framework, which allows us to raise financing based on our strong environmental, social and governance (ESG) credentials. This replaces the green funding we have previously secured through the European Investment Bank (EIB), which is no longer available post-Brexit. We issued our debut sustainable bond in January 2021 and were extremely pleased by the high level of interest. As a result, we secured not only our lowest ever coupon at that particular maturity, but also the lowest ever coupon for any UK corporate at that maturity, locking in financing outperformance.

Good start to the new regulatory period (AMP7)

We are performing well against the principal areas of our regulatory contract for AMP7 despite many targets getting tougher.

Our accelerated investment strategy and digital transformation is delivering value across the breadth of our customer outcome delivery incentives (ODIs). The £21 million outperformance payment earned this year is ten times the performance we delivered in the first year of AMP6. The net reward earned this year will be reflected in an increase to revenues earned in 2022/23. This provides a great platform for continued delivery against our customer ODIs for the remainder of the AMP and gives us the confidence to target a cumulative outperformance payment of around £150 million for the 2020–25 period.

Chairman and Chief Executive Officer's review

Thanks to our good performance in AMP6, we started AMP7 at a totex run rate which supports delivery of our AMP7 scope within our Final Determination totex allowance. Since accepting our Final Determination, our investment plan has been extended by a further £300 million, which we expect to be fully remunerated through regulatory mechanisms, with this expenditure extending our environmental programme, accelerating our digital transformation and exploiting spend to save opportunities.

While we continue to seek efficiencies in the delivery of totex, as we have demonstrated through the £300 million extension to our totex plans, we will invest totex where we are confident we can deliver improved customer or environmental outcomes and better customer ODI performance.

On financing performance, we have consistently issued debt at efficient rates that compare favourably with the industry average, thanks to our leading treasury management, clear and transparent financial risk management policies, and ability to act swiftly to access pockets of opportunity as they arise. This delivered significant financing outperformance during AMP6 and the rates we have already locked in for AMP7 compare favourably with the price review assumptions.

ESG at our heart

Our purpose drives us to deliver our services in an environmentally sustainable, economically beneficial and socially responsible manner and what we do creates a deep connection with the stakeholders we serve. We have a long-standing commitment to deliver against our ESG objectives and we have a strong track record of doing so. We are also looking to our supply chain partners to adopt these values and objectives via the United Supply Chain (USC) initiative, a fundamental step change as to how we engage with them in AMP7 and into AMP8.

Having achieved our climate change objectives up to 2020, reducing greenhouse gas emission by 73 per cent, we made six carbon pledges and have made good progress against them all. From October of this year, 100 per cent of our electricity will be sourced from renewable technologies and we have set ambitious science-based scope 3 emissions targets that have been submitted for endorsement by the Science Based Targets initiative (SBTi).

Our Catchment Systems Thinking (CaST) approach continues to mature. We have been working with the Environment Agency (EA) and other stakeholders to develop a North West natural capital baseline and once this process is complete, we will engage with other partners across the region to drive a consistent approach to delivering greater natural capital value. This year, we pledged a £300,000 CaST Fund, for which charities and community groups are able to bid, to boost the idea of working collaboratively to address the challenges facing the environment.

We are in a unique position to make a real, positive contribution to society and have an ambitious and innovative approach to addressing affordability and vulnerability. We have an extensive range of schemes available to help customers and around 200,000 are currently benefiting from that help. We are providing more customers than ever with access to Priority Services in times of need, with over 133,000 now on our register. We have committed to providing £71 million in financial support over AMP7, and have accelerated payments this year to provide much needed assistance to households struggling as a result of the economic impact of the pandemic. During the early stages of the pandemic, recognising the importance of cash flow to businesses, we took swift action to accelerate payment terms with suppliers, paying them within seven days where possible.

We want fantastic people from a range of different backgrounds and life experiences to enable us to deliver a great public service, and we are committed to creating a diverse and inclusive workforce, reaching and recruiting from every part of our community. We were delighted to be one of the top one per cent of 15,000 companies across Europe in the Financial Times' Statista Survey for Diversity and Inclusion Leadership and to achieve inclusion in the Bloomberg Gender Equality Index.

We operate in a manner that aims to maintain high ethical standards of business conduct and corporate governance. We have attained World Class status on the Dow Jones Sustainability Index for the 14th consecutive year. We were delighted to retain the Fair Tax Mark independent certification which recognises our commitment to paying our fair share of tax and acting in an open and transparent manner in relation to our tax affairs. We continue to focus on our long-term financial resilience, supported by our strong balance sheet and prudent approach to financial risk management, maintaining a responsible level of gearing and well-controlled pension position for many years.

Outlook

We started the new regulatory period as one of the sector's best performers and have delivered further improvements this year, giving us the confidence that we will continue to be able to meet our targets across AMP7. Our transformation to a digital utility is helping us operate more efficiently and deliver better service to customers whilst protecting and improving the natural environment. Although it remains uncertain how the country will emerge from the COVID-19 pandemic, we have proven to be resilient over this period and will continue to rise to the challenges that lie ahead, playing our part in the recovery of the North West economy.

Grateful to our stakeholders for their support

We would like to express our gratitude to our highly engaged and motivated employees and supply chain partners who have shown great resilience and adaptability in continuing to deliver excellent performance over such a challenging period, and we extend our thanks to customers, shareholders and other stakeholders for their continued support.



Sir David Higgins
Chairman



Steve Mogford
Chief Executive Officer

Annual report and financial statements

Our 2021 annual report and financial statements can be accessed at [unitedutilities.com/corporate](https://www.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 2021 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 23 July 2021 in the Exchange Rooms at **Manchester Central Convention Complex, Windmill St, Manchester M2 3GX** to transact the business set out below.

Resolutions 1 to 15, and 21 will be proposed as ordinary resolutions and resolutions 16 to 20 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 2021 be received.

Resolution 2: declaration of dividend

That the final dividend of 28.83 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 2021 be approved.

Resolution 4: reappointment of a director

That Sir David Higgins be reappointed as a director.

Resolution 5: reappointment of a director

That Steve Mogford be reappointed as a director.

Resolution 6: election of a director

That Phil Aspin be elected as a director.

Resolution 7: reappointment of a director

That Mark Clare be reappointed as a director.

Resolution 8: reappointment of a director

That Stephen Carter be reappointed as a director.

Resolution 9: election of a director

That Kath Cates be elected as a director.

Resolution 10: reappointment of a director

That Alison Goligher be reappointed as a director.

Resolution 11: reappointment of a director

That Paulette Rowe be reappointed as a director.

Resolution 12: election of a director

That Doug Webb be elected as a director.

Resolution 13: reappointment of auditor

That KPMG LLP be reappointed as auditor of the company.

Resolution 14: remuneration of auditor

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

Resolution 15: 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 2022 annual general meeting of the company 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.

Resolution 16: general power to disapply statutory pre-emption rights

That, if resolution 15 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 15, 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,

Notice of Annual General Meeting

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 15 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 2022 annual general meeting of the company 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 17 specific power to disapply pre-emption rights in connection with an acquisition or specified capital investment

That, if resolution 15 is passed, the board be given the power, in addition to any power granted, under resolution 16 to allot equity securities (as defined in the Companies Act 2006 (the Act)) for cash under the authority granted under paragraph (A) of resolution 15 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 2022 annual general meeting 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 18: 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 2022 annual general meeting of the company. 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 19: articles of association

That with effect from the conclusion of the AGM the articles of association produced to the meeting and initialled by the Chairman of the meeting (for the purposes of identification) be adopted as the company's articles of association in substitution for, and to the exclusion of, the existing articles of association of the company.

Resolution 20: 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.

Resolution 21: 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 2022 annual general meeting of the company. 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
26 May 2021

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 2021, 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 28.83 pence per ordinary share. If approved, it will be paid on 2 August 2021 to the shareholders on the register at the close of business on 25 June 2021.

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 2021. The directors' remuneration report can be found on pages 160 to 189 of the annual report and financial statements 2021 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 182 to 188. The vote on resolution 3 is advisory only and the directors' entitlement to remuneration is not conditional on it being passed.

Resolutions 4 to 12: 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 Chairman, 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 board evaluation exercise, conducted by external provider, Independent Audit Limited, 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 2021 AGM. Biographical details of the directors can be found on pages 15 to 19 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
Chairman

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 Chairman 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 Commonwealth Bank of Australia.

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

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.

Explanatory notes of resolutions

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.



Mark Clare
Senior independent
non-executive director

Responsibilities: Responsible, in addition to his role as an independent non-executive director, for discussing any concerns with shareholders that cannot be resolved through the normal channels of communication with the Chairman or Chief Executive Officer.

Qualifications: Chartered Management Accountant (FCMA).

Appointment to the board: November 2013.

Skills and experience: Through his previous roles at British Gas and BAA, Mark has a strong background operating within regulated environments. His extensive knowledge of customer-facing businesses is particularly valuable for United Utilities in the pursuit of our strategy to improve customer service.

Career experience: Mark was previously chief executive of Barratt Developments plc. He is a former trustee of the Building Research Establishment and the UK Green Building Council. Mark held senior executive roles in Centrica plc and British Gas. He is a former non-executive director at BAA plc and Ladbrokes Coral PLC.

Current directorships/business interests: Mark was appointed as a non-executive director at Aggreko plc in October 2020. He was appointed as senior independent non-executive director at Wickes Group plc and as chair of the remuneration committee in April 2021. He is non-executive chairman at Grainger plc and a non-executive director at Premier Marinas Holdings Limited. He is an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: As senior independent non-executive director, Mark applies his own considerable board experience gained during his career to United Utilities and provides a sounding board to the executive in many areas.

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



Stephen Carter CBE
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 agenda on acting responsibly as a business.

Qualifications: Bachelor of Laws (Hons).

Appointment to the board: September 2014.

Skills and experience: As the chief executive of a FTSE 100 listed company, Stephen brings current operational experience to the board. His public sector experience provides additional insight in regulation and government relations. His day-to-day experience in the information and technology industries ensures that the board is kept abreast of these areas of the company's operating environment.

Career experience: Stephen previously held senior executive roles at Alcatel Lucent Inc. and a number of public sector/service roles, including serving a term as the founding chief executive of Ofcom. He stepped down as a non-executive director at the Department for Business Energy and Industrial Strategy in December 2020. Former chairman Ashridge Business School. A Life Peer since 2008.

Current directorships/business interests: Group chief executive Informa plc. He is an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Stephen's experience as a current chief executive and his previous work in the public sector and government provides valuable insight for board discussions on regulatory matters.



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: 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 stepped down as a non-executive director at Brewin Dolphin Holdings plc in February 2021.

Current directorships/business interests: Kath is a non-executive director at RSA Insurance Group plc and chair of the remuneration committee. She is a non-executive director at Columbia Threadneedle Investments where she chairs the TPEN audit committee and a non-executive director of TP ICAP Group Plc. 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.

Explanatory notes of resolutions

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 will provide 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 will contribute 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 both 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 13 and 14: 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 15: authorising the directors to allot shares

Paragraph (A) of this resolution 15 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 26 May 2021, 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 26 May 2021, 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 2022.

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 16 and 17: disapplying statutory pre-emption rights will be proposed as special resolutions

Resolutions 16 and 17 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 16 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 26 May 2021, the latest practicable date prior to publication of this notice.

In respect of the power under resolution 16(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 17 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 17 is in addition to that proposed by resolution 16 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 16. This aggregate nominal amount represents an additional 5 per cent of the issued ordinary share capital of the company as at 26 May 2021, the latest practicable date prior to publication of this notice.

The powers under resolutions 16 and 17 will expire at the conclusion of the annual general meeting of the company held in 2022.

Resolution 18: 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 2022.

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 1,828,379 ordinary shares, representing 0.27 per cent of the company's ordinary issued share capital as at 26 May 2021. If the authority to purchase ordinary shares was exercised in full and those shares were subsequently cancelled, these share awards would represent 0.30 per cent of the company's ordinary issued share capital.

Explanatory notes of resolutions

Resolution 19: articles of association will be proposed as a special resolution

It is proposed that the company adopt new articles of association (the ‘new articles’) in order to update the company’s current articles of association (the ‘current articles’).

As a result of the COVID-19 pandemic, the company recognises that some shareholders may wish to attend general meetings virtually in the future. The new articles will permit the company to hold general meetings which allow for attendance and participation both in person and through electronic means. The company believes that this will encourage the greatest degree of shareholder engagement, and is in line with current market practice.

The principal proposed changes relate to the provisions dealing with the definitions of a meeting under the articles, the manner in which votes are taken in a partly virtual meeting, and practicalities relating to the security, adjournment or postponement of general meetings. The amendments to these provisions are designed to facilitate shareholder engagement by providing a choice to shareholders as to their means of attendance and participation at a general meeting. Under the new articles, the company is still required to hold a physical general meeting which any shareholder retains the right to attend. An exclusively electronic meeting is expressly prohibited. Any documents that are made available to the general meeting in person are also to be made available to shareholders attending by electronic means.

Due to the practicalities of voting at a meeting held partly by electronic means, under the new articles any resolution put to the vote at such a general meeting will be decided on a poll vote. Under the current articles, whilst this is already the case for Substantive Resolutions, the default position is that Other Resolutions

are voted on by a show of hands unless a poll is demanded by any parties eligible to request one. Other Resolutions are of a strictly procedural nature (for example, to amend patent errors in Substantive Resolutions, elect the chairman of the meeting, or to adjourn a meeting) and the company believes this to be a significant change. We have also updated the articles relating to security and order to account for virtual attendance. Finally, a provision has been added in line with current market practice to provide the board with the flexibility to postpone or move the location of the general meeting, or alter any electronic facilities, to account for any difficulties arising from technological or other unexpected issues.

As the company is proposing to make the changes described above, the opportunity has been taken generally to incorporate amendments of a more minor nature to reflect changes in applicable law or current market best practice including the adoption of gender-neutral language throughout, and to include some clearer language in other parts of the new articles.

The company is also proposing to increase the borrowing limit multiple in article 90(B) of the current articles from two and a half times share capital and reserves to three times share capital and reserves. The company’s external borrowings are already limited by existing internal controls, the need to maintain an acceptable credit rating and the principles of sound corporate governance. The adoption of the higher limit will not materially change the company’s borrowing policy and the board believes it to be timely and in the best commercial interests of the group to refresh its borrowing limits which will bring these in line with the utilities sector and peer group companies.

The new articles (and the current articles) are available for inspection as noted on page 24 of this notice.

Resolution 20: 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 2022 annual general meeting of the company, when it is intended that a similar resolution will be proposed.

Resolution 21: 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.

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](https://www.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 the COVID-19 pandemic and any Government guidance provided in respect of it.

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, copies of both the

company's current articles of association and the new articles of association proposed under resolution 19 are available for inspection at the company's registered office and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY during normal business hours until the date of the AGM and will be available at the venue for at least 15 minutes prior to the start of, and until the close of, the meeting. Some of these documents are ordinarily available on the company's website.

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 21 July 2021 (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. 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 31).

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 (see page 24) 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 21 July 2021.

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 21 July 2021. 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.

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 21 July 2021.

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

General information

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 21 July 2021 (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.

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.

Issued share capital

As at 26 May 2021 (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 for details of how we handle your personal details.

Electronic link to the United Utilities Group PLC 2021 Annual General Meeting

United Utilities Group PLC will be enabling shareholders to observe the 2021 AGM electronically, and submit questions in writing via the website. This can be done by accessing the following AGM website, hosted by Lumi - <https://web.lumiagm.com> (the Lumi AGM website).

Accessing the AGM website

The Lumi AGM website can be accessed online using most well-known internet browsers such as Internet Explorer (it is not compatible with versions 10 and below), Edge, Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone. An active internet connection will be required at all times in order to allow you to submit questions and listen to the audiocast. It is the user's responsibility to ensure they remain connected for the duration of the meeting.

Logging In

On accessing the Lumi AGM website, you will be asked to enter a Meeting ID which is 125-883-286.

You will then be prompted to enter your unique shareholder reference number (SRN), which can be found printed on your proxy card. Your PIN, is the first two and last two digits of your SRN. The link via the website will be available from 10.00am on 23 July 2021.

Broadcast

The meeting will be broadcast with presentation slides. Once logged in, and at the commencement of the meeting, you will be able to listen to the proceedings of the meeting on your device. You will be able to see the slides presented at the meeting, these slides will change automatically as the meeting progresses.

Questions

Shareholders may submit questions in writing via the website. Please select the messaging icon from within the navigation bar and type your question at the bottom of the screen, once finished, press the 'send' icon to the right of the message box which will submit your question.

Duly appointed proxies and corporate representatives

Please contact the company's registrar before 11.00am on 22 July 2021 on 0371 384 2041 or +44 (0) 121 415 7048 if you are calling from outside the UK for your SRN and PIN. Lines are open 08.30am to 5.30pm Monday to Friday (excluding public holidays in England & Wales).

User Guide to accessing the United Utilities Group PLC 2021 Annual General Meeting

Meeting ID: 125-883-286

To login you must have your SRN and PIN

1



Open the Lumi AGM website and you will be prompted to enter the Meeting ID. If a shareholder attempts to login to the website before the meeting is live*, a pop-up dialogue box will appear.

*10:00 am on 23 July 2021.

2



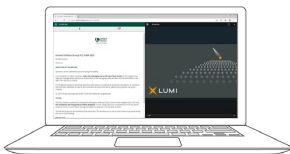
After entering the Meeting ID, you will be prompted to enter your unique SRN and PIN.

3




When successfully authenticated, you will be taken to the Home Screen.

4




To view the meeting presentation, expand the 'Broadcast Panel', located at the bottom of your device. If viewing through a browser, it will appear automatically.

This can be minimised by pressing the same button. 

5



If you would like to submit a question, select the messaging icon. 

Type your message within the chat box at the bottom of the messaging screen.

Click the send button to submit.

Shareholder information

Key dates

- › **24 June 2021**
Ex-dividend date for 2020/21 final dividend
- › **25 June 2021**
Record date for 2020/21 final dividend
- › **23 July 2021**
Annual general meeting
- › **2 August 2021**
Payment of 2020/21 final dividend to shareholders
- › **24 November 2021**
Announcement of half-year results for the six months ending 30 September 2021
- › **16 December 2021**
Ex-dividend date for 2021/22 interim dividend
- › **17 December 2021**
Record date for 2021/22 interim dividend
- › **1 February 2022**
Payment of 2021/22 interim dividend to shareholders
- › **May 2022**
Announce the final results for the 2021/22 financial year
- › **June 2022**
Publish the annual report and financial statements for the 2021/22 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
- › get 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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