



United Utilities Group PLC

Notice of Annual General
Meeting 2019



Financial highlights

Revenue

£1,818.5m

2018: £1,735.8m

Underlying
operating profit

£684.8m

2018: £645.1m

Total dividend
per share

41.28p

2018: 39.73p

From the Chairman and Chief Executive Officer

**£350
million**

additional investment of
outperformance

£19 million

ODI reward for 2018/19
against tougher targets

£16 million

expected SIM reward for
the 2015–20 period

Fast-track

business plan
for 2020–25

Top rating

for the high quality
and transparency of
our reporting

Our consistent focus on customers and pioneering Systems Thinking approach have helped us go from strength to strength.

Overview

This has been a busy year. Extreme weather caused operational challenges for the sector as a whole, and we submitted our business plan for the next regulatory period. Throughout these competing priorities, we maintained a resilient and high quality service and grew stronger as a company.

We made further improvements in customer satisfaction and delivered our best performance to date against our outcome delivery incentives, despite our targets being tougher this year. We met our leakage target for the 13th consecutive year, and we maintained high standards of environmental performance and drinking water quality.

Our 2020–25 business plan submission received the highest grades in the sector and a fast-track rating in Ofwat's initial assessment.

These achievements are a testament to the transformation we have delivered over recent years and the hard work of all our team.



Dr John McAdam
Chairman

Steve Mogford
Chief Executive Officer

Continuing to improve service for customers

Our purpose and strategy are centred around customers. This has been our focus for many years and underpins customer satisfaction improvements year after year.

We achieved our best ever Service Incentive Mechanism (SIM) scores this year, and our performance across the first four years of this regulatory period means we expect to be eligible for a financial reward of around £16 million.

Proving that good service costs less, we have reduced the amount it costs to serve our customers by 27 per cent since the start of this regulatory period, as a result of our improved operational performance, digital strategy, and driving down bad debt.

Our household bad debt has reduced from 3.6 per cent of regulated revenue in 2014/15 to 2.1 per cent in 2018/19, and customer bills have reduced in real terms since 2010.

We have taken the lead in transforming how the sector supports customers, particularly those in vulnerable circumstances. We have the sector's most innovative and ambitious assistance schemes, supporting over 100,000 customers struggling to pay. We held the second North West Affordability Summit this year, launching the North West Hardship Hub, the first of its kind in the country. This platform helps the money advice community in our region locate cross-sector assistance schemes all in one place, making it easier for them to find the best help for their clients.

Our efforts are being recognised externally. We were awarded the Institute of Customer Service 'Service Mark with Distinction'. We were the first water company accredited by the Chartered Institute of Credit Management for our work with customers struggling to pay; and we achieved Shaw Trust Accessibility status as a further recognition of our work supporting customers in vulnerable circumstances.

From the Chairman and Chief Executive Officer

Rising to challenges and improving our resilience

2018 was a year of unprecedented extremes of weather, with a deep freeze and rapid thaw in the early part of the calendar year swiftly followed by an intense heatwave in the summer. It was the driest summer for our region since modern records began in 1961, meaning our impounding reservoirs were at much lower levels than usual. The soaring temperatures contributed to a huge increase in demand for water.

We undertook a series of actions to minimise any impact on customers and protect water resources. We increased communication to encourage customers to use water wisely. We significantly increased our leak detection efforts to help manage leakage. We used our fleet of Alternative Supply Vehicles (ASVs) to help maintain pressure in the network at peak times. We brought back into service groundwater supplies such as boreholes that had not been used for many years, and we used our West East Link Main to pump water around our region.

The tireless hard work of our employees, together with the support of customers and regulators over this period, meant we were able to maintain an unrestricted service to customers. Our ability to manage these extreme conditions further demonstrates the benefits of our Systems Thinking approach. Many of the actions we took to protect service to customers would not have been possible without it.

Our actions resulted in one-off additional costs of around £80 million, which has further improved the high level of resilience we have already embedded into our service. For example, our investment in ASVs has been critical to improving our water service, an efficient way of helping to keep customers supplied during planned and unplanned interruptions.

Delivering strong and sustainable financial performance

Our financial performance from a statutory perspective has been very good this year.

Underlying earnings per share is 55.5 pence, an increase of 24 per cent and more than covering the dividend for the year. The main drivers of this increase are our allowed regulatory revenue profile and a decrease in the underlying net finance expense due to lower RPI inflation applied to our index-linked debt, partly offset by increases in infrastructure renewals expenditure and depreciation.

Reported earnings per share is 53.3 pence, which is slightly lower than the underlying figure, mainly due to exceptional costs associated with the dry weather period and fair value movements. Adjusting items are outlined in the reconciliation table on pages 66 and 67 of the 2019 annual report and financial statements. The £80 million additional dry weather costs include £25.6 million operating costs and £10.5 million infrastructure renewals expenditure, with the remainder being capital expenditure.

The board has proposed a final dividend of 27.52 pence per ordinary share, taking the total dividend for 2018/19 to 41.28 pence. This is an increase of 3.9 per cent, in line with our policy for this regulatory period of targeting an annual growth rate of at least RPI inflation through to 2020.

We have had a pension surplus on an IAS 19 basis for many years and this is well controlled through our asset-liability matching approach. The IAS 19 surplus increased to £484 million at 31 March 2019.

The funding position is assessed using a different basis to value liabilities. While maintaining a pension surplus on an IAS 19 basis, we have had a deficit on a funding basis, and have been making deficit recovery contributions of around £40 million per year. It was confirmed in the most recent triennial valuation, signed off as at 31 March 2018, that these contributions would address the funding deficit by December 2021.

However, in April 2019, we prepaid the remaining agreed deficit recovery contributions at a discount, meaning we are now in a pension surplus position on an IAS 19 basis and have eliminated the deficit on a funding basis, achieving self-sufficiency.

This is a responsible approach, mitigating risk for all of our stakeholders at a time when regulators, including Ofwat and The Pensions Regulator, are highlighting the importance of this area and in some cases, intervening to protect pension scheme members and customers.

As part of our business plan submission for the next regulatory period, we have set out a range of considerations that will determine the future level of dividends paid. One of these is the impact of pension deficits. With our historic well-managed approach to pensions and strong level of funding, we do not expect future funding of our pension scheme to act as a constraint in the 2020–25 period.

We have a consistent policy of targeting gearing of 55–65 per cent, measured as net debt to regulatory capital value. This has been supportive of United Utilities Water Limited's A3 credit rating with Moody's, which affirmed a stable outlook on our credit rating following Ofwat's initial assessment of business plans, despite retaining a negative outlook on the sector in general.

This, alongside our pension position, gives us an extremely robust capital base and provides a high degree of resilience and financial flexibility as we look to the future.

Performing well against our regulatory contract

From an economic perspective, there are four key drivers of value – total expenditure (totex), SIM performance, outcome delivery incentives (ODIs), and financing. We are delivering good results against all of these areas, demonstrating strong all-round performance in the current regulatory period.

As previously mentioned, we anticipate being eligible for a SIM reward of around £16 million thanks to our improved performance for customers.

On financing, the low cost of debt we have locked-in places us in a strong position to outperform the industry allowed cost of debt in the current regulatory period, and into the next period.

On totex, we remain confident in outperforming our totex allowance by £100 million against the scope of our 2015–20 final determination.

Sitting outside the scope of the final determination is an additional £350 million we have committed to invest from our total outperformance, including £250 million in resilience that we had committed to previously and £100 million to give us a flying start for the next regulatory period, and the £80 million additional totex related to the dry weather event.

Although our ODI reward-penalty range was skewed to the downside, we expect to earn a net reward of around £30 million for the 2015–20 period. This year's performance was our best so far, with a net reward of £19.2 million bringing our cumulative position for the first four years of the period to a net reward of £21.4 million.

This performance, across the range of our ODIs, demonstrates the benefit of the accelerated investment we made early in the period. It is particularly pleasing given we were delivering against increasingly challenging targets and dealing with extremes of weather. Our expected out-turn position equates to performance towards the top end of our estimates, providing a solid foundation for the next regulatory period.

From the Chairman and Chief Executive Officer

Achieving a fast-track rating for our business plan

Our business plan submission for the 2020–25 period received the highest grades for the sector against the test areas set out in Ofwat’s initial assessment, and was commended as industry-leading in many areas.

This achievement demonstrates the transformation we have achieved in recent years, both in terms of operational performance and efficiency, as well as the high quality of our plan and our ambition for further improvement in the next regulatory period.

As previously mentioned, we have committed an additional £100 million investment towards a flying start to the 2020–25 period. The main priorities for this investment include three of our toughest performance targets: leakage, supply interruptions and sewer flooding.

Supporting employees’ health and wellbeing

We are committed to protecting the health and wellbeing of our employees, and have made significant efforts in this area over recent years.

We engage with employees to help them with lifestyle choices. For example, we help them to quit smoking and offer incentives for those who stay smoke-free for six months. We have reduced employee inactivity rates through initiatives such as standing desks and walking meetings, as well as offering discounted gym memberships and an onsite gym at our head office. We offer nutritional programmes and have health kiosks where employees can measure their weight and blood pressure.

As well as physical health, we focus on mental health. We offer free confidential support services for employees, and have trained mental health champions and first aiders across the business. We joined other businesses in the year in an initiative aimed at ending the stigma of talking about mental health in the workplace.

Our progress in this area has been recognised externally. We were named one of Britain’s Healthiest Workplaces 2018 and the third most improved organisation; we were recredited with the Workplace Wellbeing Charter in 2018; and we received two employee wellbeing accolades at the Reward and Employee Benefits Association (REBA) awards for physical wellbeing and mental wellbeing.

Maintaining high standards of corporate governance

We consistently operate in a manner that aims to deliver the highest levels of corporate governance. Our board continues to provide sound and prudent governance, consistent with the principles of the UK Corporate Governance Code.

We continued to demonstrate good drinking water quality compliance, as assessed by the Drinking Water Inspectorate. We have delivered a range of improvements in our water transformation programme, which has driven a significant reduction in the risk of water quality events. We once again retained Industry Leading Company status in the Environment Agency’s annual assessment, and we achieved a World Class rating in the Dow Jones Sustainability Index for the eleventh consecutive year.

Ofwat’s Company Monitoring Framework Assessment provides an assessment of the trust and confidence stakeholders can have in the accuracy, completeness and transparency of company reporting. Integrity is one of our core values and we were delighted to be awarded the top self-assurance rating again this year, the only company to have held this for three consecutive years.

Outlook

The acceleration of investment we made in the current regulatory period, along with our additional investment, Systems Thinking approach and financial risk management, are delivering sustainable improvements in performance and resilience. Our customer satisfaction is among the top of the water and wastewater companies in the sector.

The benefit of accelerated investment to deliver earlier improvements to service is clear to see. Given our total anticipated outperformance for the 2015–20 regulatory period, we are reinvesting £350 million of our outperformance to deliver enhanced resilience and improved performance earlier in the next regulatory period.

We are proud of the transformation we have delivered and the performance of our team during the year. We are excited about the opportunity the 2020–25 period represents as we deliver our purpose to provide great service to customers and communities in the North West, creating long-term value for all of our stakeholders.

We would like to express our gratitude to our employees for their hard work and dedication, and to customers and other stakeholders for their continued support.



Dr John McAdam
Chairman



Steve Mogford
Chief Executive Officer

Annual report and financial statements

Our 2019 annual report and financial statements can be accessed directly at corporate.unitedutilities.com

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.

The directors look forward to welcoming shareholders to the meeting.

If you are not able to attend, please remember you can always cast your votes either by completing and returning the enclosed proxy form or 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 quoted on your proxy form. Alternatively, if you have registered with Equiniti's online portfolio service, Shareview, you can appoint your proxy at shareview.co.uk. Full details and instructions are given on the website. Further information, including the deadlines for appointing a proxy, and the address to which the proxy form should be sent, can be found on page 22.

Notice of annual general meeting (AGM)

Notice is given that the AGM of United Utilities Group PLC (the company) will be held at 11.00 am on Friday 26 July 2019 at the **Lowry Hotel, 50 Dearmans Place, Chapel Wharf, Salford, Manchester, M3 5LH** to transact the business set out below.

Resolutions 1 to 18, and 23 will be proposed as ordinary resolutions and resolutions 19 to 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 shareholders 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 below, followed by the 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 2019 be received.

Resolution 2: declaration of dividend

That the final dividend of 27.52 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 2019 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 2019) be approved.

Resolution 5: reappointment of a director

That Dr John McAdam 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 Russ Houlden be reappointed as a director.

Resolution 8: reappointment of a director

That Steve Fraser be reappointed as a director.

Resolution 9: reappointment of a director

That Mark Clare be reappointed as a director.

Resolution 10: reappointment of a director

That Sara Weller be reappointed as a director.

Resolution 11: reappointment of a director

That Brian May be reappointed as a director.

Resolution 12: reappointment of a director

That Stephen Carter be reappointed as a director.

Resolution 13: reappointment of a director

That Alison Goligher be reappointed as a director.

Resolution 14: reappointment of a director

That Paulette Rowe be reappointed as a director.

Resolution 15: election of a director

That Sir David Higgins be elected as a director.

Resolution 16: reappointment of auditor

That KPMG LLP be reappointed as auditor of the company.

Resolution 17: remuneration of auditor

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

Resolution 18: 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, 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 2020 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.

Notice of Annual General Meeting

Resolution 19: general power to disapply statutory pre-emption rights

That, if resolution 18 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 18, 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 18 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 2020 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 20: specific power to disapply pre-emption rights in connection with an acquisition or specified capital investment

That, if resolution 18 is passed, the board be given the power, in addition to any power granted, under resolution 19 to allot equity securities (as defined in the Companies Act 2006 (the Act)) for cash under the authority granted under paragraph (A) of resolution 18 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 2020 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 21: 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 five 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 2020 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 22: notice of general meeting

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

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 2020 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
22 May 2019

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 2019, 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 27.52 pence per ordinary share. If approved, it will be paid on 1 August 2019 to the shareholders on the register at the close of business on 21 June 2019.

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 2019. The directors' remuneration report can be found on pages 116 to 143 of the annual report and financial statements 2019 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 124 to 130. 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' remuneration policy contained in the directors' remuneration report. The proposed policy is set out on pages 124 to 130 of the annual report and financial statements 2019. 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 or former 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 that the policy is to be changed

before the expiry of the three - year period in which case the company will propose a new resolution to approve the amended policy. The previous vote on the company's existing directors' remuneration policy was held in 2017 and the is policy is due to expire in July 2020. The policy is being renewed a year earlier than expected, primarily in order to align performance measures with the new five-year asset management period starting on 1 April 2020. Subject to approval at the AGM, the proposed directors' remuneration policy will take effect from 26 July 2019 and will replace the existing policy as approved by shareholders in 2017.

Resolutions 5 to 15: reappointment / election of directors

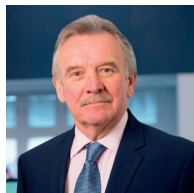
The board is mindful of the recommendation contained within the Financial Reporting Council's UK Corporate Governance Code (the code) that all directors of FTSE 350 companies should be subject to annual appointment by shareholders. As in recent years, all directors therefore will retire at the 2019 AGM. David Higgins will stand for election at the 2019 AGM following his appointment to the board on 13 May 2019. All other members of the board will stand for reappointment.

With the exception of the Chairman, for whom under the code the test is not applicable, all of our non-executive directors are determined to be independent in accordance with 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, the board fully endorses the election or reappointment of the board members 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 review of the Chairman's performance (led by the senior independent director) concluded he continued to demonstrate an effective and unbiased perspective notwithstanding that he had served for over eleven years as a board director by 31 March 2019, that he fulfilled the expected commitment to the role and was an effective leader of the board. Dr John McAdam will step down from the board on 31 December 2019, when he will be succeeded as Chairman by Sir David Higgins. The board recommends that shareholders vote all the directors back into office at the 2019 AGM. Biographical details of the directors can be found on pages 14 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.

Explanatory notes of resolutions

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



Dr John McAdam
Chairman

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

Qualifications: BSc (Hons) Chemical Physics, Diploma Advanced Studies in Science, PhD.

Appointment to the board: Appointed as a non-executive director in February 2008 and as Chairman in July 2008.

Committee membership: Nomination (chair).

Skills and experience: With over 19 years' service as a board director in a wide range of companies, and as a current non-executive director serving on a number of other boards and across different sectors, John has a wealth of past and current experience on which to draw in his role as Chairman and leader of the board.

Career experience: Joined the board of ICI plc in 1999 and became chief executive in 2003, a position held until ICI's takeover by Akzo Nobel. Previous non-executive roles: senior independent director J Sainsbury plc; non-executive director Rolls-Royce Holdings plc; senior independent director Electra Private Equity PLC; and chairman of Rentokil-Initial plc until 8 May 2019.

Current directorships/business interests: Non-executive and senior independent director of Cobham plc and appointed as non-executive director of Wilmcote Holdings plc on 1 October 2018. He is also Chairman of United Utilities Water Limited.

Independence: John met the 2016 UK Corporate Governance Code's independence criteria on his initial appointment as Chairman.

Specific contribution to the company's long-term success: During his final year as Chairman, John has continued to help drive the considerable progress made by the business throughout the tenure of his leadership.



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.

Committee membership: Corporate responsibility.

Skills and experience: Steve's experience of the highly competitive defence market and 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: 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.

Current directorships/business interests: Non-executive and senior independent director G4S PLC. He is also Chief Executive Officer of United Utilities Water Limited.

Specific contribution to the company's long-term success: As chief executive, Steve has driven a step change in the company's operational performance, leading to fast-track status in the PR19 price review process for the 2020–25 asset management period.

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



Russ Houlden
Chief Financial Officer

Responsibilities: To manage the group's financial affairs and 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) Management Sciences, Fellow of the Chartered Institute of Management Accountants, Chartered Global Management Accountant and a Fellow of the Association of Corporate Treasurers.

Appointment to the board: October 2010.

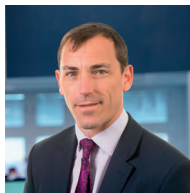
Committee membership: Treasury.

Skills and experience: Russ's skills and experience in accounting in other commercial and regulated companies, along with his extensive experience of driving performance improvement provides the group with valuable expertise in pursuing its strategy of improving customer service and in providing our services at the lowest sustainable cost.

Career experience: Previously chief financial officer at Telecom New Zealand and finance director of: Lovells; BT Wholesale; BT Networks and Information Services; ICI Polyurethanes and ICI Japan.

Current directorships/business interests: Member of the supervisory board and chairman of the audit committee Orange Polska SA. Chairman of the financial reporting committee of the 100 Group. He is also Chief Financial Officer of United Utilities Water Limited.

Specific contribution to the company's long-term success: Russ helps to drive the transformation of the operational performance of the business, delivers the group's competitive advantage in financial risk management and ensures excellence in reporting to shareholders and other stakeholders.



Steve Fraser
Chief Operating Officer

Responsibilities: To develop the strategy for, and to manage, the group's operations.

Qualifications: BA (Hons) Management Studies, MSc Engineering Management, AMP Harvard University.

Appointment to the board: August 2017.

Committee membership: None.

Skills and experience: Steve brings a strong commercial acumen and operations focus to the wider business. He has a proven track record in managing networks and using his change management skills and broad experience across all aspects of utilities construction, programme and operations management.

Career experience: Steve has a wide range of project and contract management experience within the infrastructure sector. Prior to joining United Utilities in 2005, he was operations director of Bethell plc, the power and construction group.

Current directorships/business interests: He is also Chief Operating Officer of United Utilities Water Limited.

Specific contribution to the company's long-term success: Steve is responsible for addressing all operational activities. Through the close scrutiny and monitoring of these activities he ensures that adjusting actions are taken in order that the company's overall operational performance continues to improve.

Explanatory notes of resolutions

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



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.

Committee membership: Nomination and remuneration.

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: Previously chief executive Barratt Developments plc. A former trustee of the Building Research Establishment and the UK Green Building Council. Senior executive roles held in Centrica plc and British Gas. Former non-executive director: BAA plc and Ladbrokes Coral PLC.

Current directorships/business interests: Non-executive chairman Grainger plc and non-executive director Premier Marinas Holdings Limited. He is also 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 has led a robust selection process culminating in the appointment of Sir David Higgins as the next Chairman of the company.



Sara Weller
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: MA Chemistry.

Appointment to the board: March 2012.

Committee membership: Nomination and remuneration (chair).

Skills and experience: Sara's experience of customer-facing businesses, together with her knowledge of operating within a regulated environment, provides the board with valuable perspective as the company improves its service to customers.

Career experience: Previously managing director of Argos; senior executive roles at Mars, Abbey National and J Sainsbury plc. Former non-executive and senior independent director Mitchells and Butlers plc and chair of the remuneration committee. Other non-executive roles: the Department for Communities and Local Government; the Higher Education Funding Council for England and the Planning Inspectorate.

Current directorships/business interests: Non-executive director Lloyds Banking Group plc; lead non-executive Department of Work and Pensions; and council member at Cambridge University. She is also an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: As chair of the remuneration committee, Sara has played a key role in revising the directors' remuneration policy being presented for approval by shareholders as this year's annual general meeting.

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



Brian May
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 audit committee.

Qualifications: BSc (Hons) Actuarial Science, Chartered Accountant FCA.

Appointment to the board: September 2012.

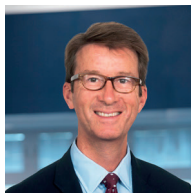
Committee membership: Nomination, audit (chair), treasury (chair) and remuneration.

Skills and experience: Brian joined Bunzl plc in 1993 as head of internal audit before becoming group treasurer, then finance director (Europe and Australasia). Brian's background and the various finance roles that he has held are major assets to the board in chairing both the audit and the treasury committees. Brian has been chair of the audit committee for nearly five years and has considerable knowledge of the company and the specifics of the utilities sector.

Career experience: Finance director Bunzl plc, since 2006. Prior to joining Bunzl, Brian qualified as a chartered accountant with KPMG.

Current directorships/business interests: Finance director Bunzl plc, he intends to retire from this role on 31 December 2019. He is also an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Brian contributes his considerable expertise in finance to the company primarily through the important position of chair of the audit committee. The industry knowledge he has gained during the six years as a board member, and his involvement in the second regulatory price review of his tenure, have provided continuity and knowledge to this vital long-term decision-making process.



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.

Committee membership: Nomination, audit and corporate responsibility (chair).

Skills and experience: As the chief executive of a FTSE100 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: 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. Former chairman Ashridge Business School. A Life Peer since 2008.

Current directorships/business interests: Group chief executive Informa plc and non-executive director Department for Business, Energy and Industrial Strategy. He is also 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 work in the public sector and government provides valuable insight.

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.

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

Appointment to the board: August 2016.

Committee membership: Nomination, remuneration and corporate responsibility.

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), her 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: Non-executive director Meggitt PLC, part-time executive chair Silixa Ltd and a board member of Edinburgh Business School. She is also an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Alison's understanding of large capital projects and operational challenges provides valuable insight into 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 first-hand understanding of the views of employees and 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 (Hons) Mechanical Engineering and Management, MBA.

Appointment to the board: July 2017.

Committee membership: Nomination and audit.

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 roles include: managing director, Barclaycard Payments Solutions; strategy director NBNK Investments plc; commercial and marketing director Tesco Personal Finance; chief executive, European Consumer Finance and managing director Royal Bank of Scotland. Former board member Prince's Youth Business Trust and former trustee and chair of children's charity The Mayor's Fund for London.

Current directorships/business interests: EMEA Executive Facebook Inc. since July 2018. She is also an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Paulette shares her experience as a senior leader in financial services, and her current role in the technology sector, where technological innovations have driven improved customer service.

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



Sir David Higgins
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, in time, assume the role and responsibilities of Chairman.

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

Appointment to the board: 13 May 2019.

Committee membership: Nomination.

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. He joined Network Rail in 2011, overseeing the operation of the rail network during the 2012 Olympic and Paralympic Games and the major redevelopment of stations including Birmingham New Street and London King's Cross.

Career experience: Former chief executive of: Network Rail Limited; The Olympic Delivery Authority and English Partnerships. Previous non-executive roles: chairman of High Speed Two Limited and Sirius Minerals plc.

Current directorships/business interests: Chairman of Gatwick Airport Limited. Non-executive director of Commonwealth Bank of Australia and chair of the remuneration committee and a member of the risk committee, he will step down in December 2019. He is also an independent non-executive director of United Utilities Water Limited.

Specific contribution to the company's long-term success: Sir David's experience of major infrastructure projects will be invaluable in meeting the challenges of the next regulatory period and beyond. He will take over as Chairman on 1 January 2020.

Explanatory notes of resolutions

Resolutions 16 and 17: 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. The audit was last tendered in 2011 when KPMG replaced Deloitte as statutory auditor to the group.

Resolution 18: authorising the directors to allot shares

Paragraph (A) of this resolution 18 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 22 May 2019, 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 22 May 2019, 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 2020.

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 19 and 20: disapplying statutory pre-emption rights will be proposed as special resolutions

Resolutions 19 and 20 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 19 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 five per cent of the issued ordinary share capital of the company as at 22 May 2019, the latest practicable date prior to publication of this notice.

In respect of the power under resolution 19(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 20 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 20 is in addition to that proposed by resolution 19 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 19. This aggregate nominal amount represents an additional five per cent of the issued ordinary share capital of the company as at 22 May 2019, the latest practicable date prior to publication of this notice.

The powers under resolutions 19 and 20 will expire at the conclusion of the annual general meeting of the company held in 2020.

Resolution 21: 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 2020.

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 options outstanding over 1,678,522 ordinary shares, representing 0.25 per cent of the company's ordinary issued share capital as at 22 May 2019. If the authority to purchase ordinary shares was exercised in full and those shares were subsequently cancelled, these share options would represent 0.27 per cent of the company's ordinary issued share capital.

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. In accordance with the 2016 version of the UK Corporate Governance Code, the recommendation is that the 14 days are specified as 'working days'. Resolution 22 seeks such approval. 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 2020 annual general meeting of the company, 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.

General information

Questions to the meeting

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 corporate.unitedutilities.com

Attending and admission to the meeting

Please bring your admission card with you to the meeting. It contains your unique shareholder number and will speed up the registration process.

It also serves as your poll card. This helps the votes to be counted more quickly and accurately after the meeting. If you don't bring your admission card, you will need proof of identity before you can be admitted. Security checks will be made and we reserve the right to search bags before allowing entry. The doors will open at 10.00 am and the meeting starts at 11.00 am.

Documents you can look at

Copies of executive directors' service contracts and non-executive directors' letters of appointment are available for inspection by shareholders for at least 15 minutes prior to the AGM until the close of the meeting. Similarly, the company's articles of association will also be available for inspection at the meeting, for at least 15 minutes prior to, and until the close of the meeting and at our registered office.

Voting at the meeting

The record date for entry on the register of members in order to have the right to attend and vote at the meeting is 6.30 pm on Wednesday 24 July 2019 (or, if the meeting is adjourned, 6.30 pm 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 representatives of Equiniti present at the meeting, thereby ensuring the votes cast are correctly recorded, and enabling shareholders who have appointed a proxy to vote on their behalf to have their votes fully taken into account. One vote can be cast for each ordinary share held.

Appointing one or more proxy

Every shareholder who is entitled to attend and vote has the right to appoint one or more persons as their proxy to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy need not be a shareholder. A shareholder may appoint more than one proxy 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 attached to your admission card and enclosed with this notice. 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 11.00 am on Wednesday 24 July 2019. Even if you have lodged a proxy form you may still attend and vote at the meeting, in doing so, 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 8.30 am to 5.30 pm 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. Alternatively, if you have already registered with the company's registrars' 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 11.00 am on Wednesday 24 July 2019.

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 other 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

General information

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 24 July 2019 (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 22 May 2019 (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 5 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.

Shareholder information

Key dates

- › **20 June 2019**
Ex-dividend date for 2018/19 final dividend
- › **21 June 2019**
Record date for 2018/19 final dividend
- › **26 July 2019**
Annual general meeting
- › **1 August 2019**
Payment of 2018/19 final dividend to shareholders
- › **20 November 2019**
Announcement of half-year results for the six months ending 30 September 2019
- › **19 December 2019**
Ex-dividend date for 2019/20 interim dividend
- › **20 December 2019**
Record date for 2019/20 interim dividend
- › **3 February 2020**
Payment of 2019/20 interim dividend to shareholders
- › **May 2020**
Announce the final results for the 2019/20 financial year
- › **June 2020**
Publish the Annual Report and Financial Statements for the 2019/20 financial year

Electronic communications

We're 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

Why not make life easy and have your dividends paid straight to your bank?

- › 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'd 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 8.30 am to 5.30 pm, 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. Here the Annual Report and Financial Statements, responsible business performance, company announcements, the half-year and final results and presentations are published.

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/protect-yourself/unauthorised-firms

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Looking after your investment

Our approach to responsible business has again helped us to retain world class status in the Dow Jones Sustainability index for the eleventh consecutive year and in 2018 we achieved the Industry mover award for our sector.

Our membership of the FTSE4Good Index continued for the seventeenth year and we also received a B rating in the Carbon Disclosure Project. We have maintained our position in the Euronext Vigeo index: UK 20 and been reconfirmed as a constituent of the Ethibel Sustainability Index Excellence Europe for our environmental, social and governance performance.

We have retained our Gold award status with the Royal Society for the Prevention of Accidents and been awarded the Chartered Institute of Procurement and Supply Corporate Ethics Mark for our sustainable and ethical approach.



Registered office:

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

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