



Bringing water to life –
supporting the lives of
people and the places they
love for generations to come.

Notice of Annual General Meeting 2021



Annual General Meeting 2021

This document is important and requires your immediate attention. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, solicitor, accountant, or other independent professional adviser who is authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your ordinary shares please send this document and the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Dear Shareholder



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I’d like to start by thanking our employees for their dedication and support over the past 12 months. I’m so proud of the way they have responded to the challenge of the COVID-19 pandemic.

A personal note from the Chair

I was appointed as Chair of the Group in July last year, and it has been an honour to work alongside a talented and diverse Board. Together, we are committed to delivering Pennon’s strategy, focused on sustainable growth in UK Water.

I’d like to start by thanking our employees for their dedication and support over the past 12 months. I’m so proud of the way they have responded to the challenge of the COVID-19 pandemic. It takes courage, determination and professionalism to continue to go out to work every day, supporting customers and communities. The difficulties and disruption that many faced, will hopefully weigh a little less on us all as we move forward together.

In addition to supporting employees, customers and communities, the Board has prioritised the reshaping of the Group, driving sustainable growth, customer service and environmental excellence in the UK Water industry following the landmark sale of Viridor last year. The acquisition of Bristol Water announced in June is a strong strategic fit, and I look forward to welcoming new employees to the Group and the opportunities this will bring for customers and communities.

As part of the reshaping of Pennon Group and aligned to South West Water’s PR19 business plan, we intend to further expand our groundbreaking Watershare+ scheme. We launched Watershare+ in September 2020 to share the success of our business with our customers. In September 2020, our customers were offered either a £20 credit applied to their water bills or the opportunity to use that money to become Pennon shareholders. We are pleased that 1 in 16 of our customers are now Pennon shareholders. We are now planning a further opportunity for customers of South West Water, Bournemouth Water and Bristol Water⁽¹⁾ to become Pennon shareholders with the required resolutions expected to be put before the 2022 AGM.

Additionally, we have demonstrated our credentials as a responsible business, reducing debt levels, increasing pension contributions and supporting the South West region to build back greener, with our Green Recovery plan, providing new job opportunities in the region and tackling the issues that customers tell us are important to them, improving public health, protecting the environment and addressing climate change.

Putting ESG matters at the centre of our decision-making, scaling up investment in the environment, and achieving Net Zero by 2030, are key priorities for the Board, and I know how much this matters to all our stakeholders.

Pennon is well positioned for the future, we have reinvested for growth, and retain sufficient funds to drive further value, building a sustainable future for all.

Annual General Meeting 2021

Please find attached to this letter, the Notice of our 2021 AGM, together with notes explaining the business of the meeting. The AGM will be held at Sandy Park Conference Centre, Sandy Park Way, Exeter EX2 7NN on Thursday 22 July 2021 at 2.30pm.

Impact of COVID-19 on the AGM

The health and wellbeing of our shareholders, colleagues and the wider community is of the utmost importance to Pennon. Therefore, in planning this year’s AGM, we have been mindful above all of the need to provide shareholders with the opportunity to engage with us remotely, while also ensuring a COVID-secure meeting with appropriate social distancing for any shareholders who might wish, subject to Government guidelines, to attend the AGM in person.

We strongly encourage shareholders to participate in the 2021 AGM remotely by joining us for the live webcast we are providing this year, as described below. However, if your preference is to attend the AGM in person, please note that, while we currently anticipate this will be possible, we are committed to following Government guidelines in place as at the date of the AGM and will be asking everyone to adhere to the safety measures of the venue, which can be viewed at www.sandypark.co.uk/organise/covid-19. In addition, the Board confirms that:

- guests of shareholders will not be permitted entry to the 2021 AGM;
- there will be no circulation of shareholders or Directors before or after the meeting; and
- refreshments will not be served.

(1) Acquisition completed 3 June 2021 and inclusion of Bristol Water customers in Watershare+ will be part of a broader merger review by the Competition and Markets Authority.

Dear Shareholder continued

If you do plan to attend the AGM in person, we kindly ask that you register your intention as soon as possible as numbers may be restricted. Please contact IR@pennon-group.co.uk as soon as possible to help us to make appropriate arrangements.

The situation in relation to COVID-19 continues to evolve and it is possible the Government may introduce further restrictions or measures. Any changes to our AGM arrangements will be communicated to shareholders via the Company's website at www.pennon-group.co.uk/investor-information/shareholder-services, and we encourage you to monitor our website for any updates. Please also check the latest Government guidelines before you consider travelling to the AGM venue.

Voting at the AGM

In line with best practice, we continue to encourage the use of electronic proxy voting and are not providing paper proxy forms alongside the AGM Notice.

You may register your proxy votes via www.signalshares.com. Registering your vote electronically is entirely secure and ensures the privacy of your personal information.

Alternatively, if you wish to vote by post you may request a hard copy proxy form by contacting our registrar, Link Market Services (Link) on 0371 664 9234 (lines are open 8.30am to 5.30pm Monday to Friday excluding public holidays in England and Wales) or +44 371 664 9234 (from outside the UK) and quoting your Investor Code which can be found on your share certificate or dividend confirmation.

The deadline for the receipt by Link of all proxy appointments is 2.30pm on 20 July 2021. In view of the potential ongoing impact of COVID-19, **all shareholders are strongly encouraged to appoint the chair of the meeting as proxy, with voting instructions**. Voting at the AGM will be on a poll and will reflect all proxy voting instructions duly received.

Shareholder questions

If you would like to ask a question of the Board on the business of the AGM, we invite you to pre-submit it to our investor relations team by email at IR@pennon-group.co.uk. Questions on the business of the AGM will, where possible, be answered during the meeting, and a summary of responses will be published at www.pennon-group.co.uk/investor-information/shareholder-services. Responses to questions received before 14 July 2021 will be provided before proxy voting closes on 20 July 2021, so that shareholders can make an informed voting decision. Shareholders joining us for the AGM, including through the live webcast, will also have the opportunity to ask questions on the day.

Live webcast

We are providing a live webcast to enable shareholders to listen to, view and ask questions at the 2021 AGM remotely, and we encourage all shareholders to make use of this facility. Instructions on how to access the live webcast and on how to ask a question during the meeting are set out on page 6.

Please note that shareholders joining us via the live webcast will not be able to vote on the day and are strongly encouraged to submit their vote in advance by appointing the chair of the meeting as proxy, with voting instructions (as described under "Voting at the AGM" above).

Watershare+ Share Scheme participants

Watershare+ Share Scheme participants ("Watershare+ participants") are reminded that the deadline for giving their voting instructions to the registered shareholder Link Market Services Trustees (Nominees) Limited (the WaterShare+ nominee) on the resolutions to be put to Pennon's AGM is 2.30pm on 19 July 2021. You will need to give your voting instructions using Signal Shares (www.signalshares.com). Your views are very important to us, and we encourage you to give your voting instructions.

All Watershare+ participants are invited to join us for the live webcast of Pennon's AGM. Instructions on how to access this facility can be found on page 6 under 'How to join the webcast'.

Any Watershare+ participants who would like to attend the AGM venue must make a request to obtain a letter of representation to the WaterShare+ nominee, by 2.30pm on 19 July 2021, so that the required paperwork can be processed. We may be unable to permit entry to any Watershare+ participants who have not made appropriate arrangements.

We are delighted to confirm that Watershare+ participants will also be invited to a "Customer AGM", currently planned for Autumn 2021. We hope you will join us for this event, at which we will welcome all questions from customers. We will write to all Watershare+ participants with further information on this event, in due course.

Further details generally of the WaterShare+ Share Scheme can be found at www.pennon-group.co.uk/investor-information/watershare.

Business of the AGM

We will be asking shareholders to approve a number of standard resolutions that UK listed companies typically propose annually, including resolutions to re-elect our Directors. The directors are all standing for re-election this year. Details of their skills, experience and contribution can be found on pages 10 and 11.

Shareholders will note that we are this year requesting an authority to repurchase up to 14.99% of the Company's shares, calculated based on the Company's anticipated issued share capital if the proposed special dividend and share consolidation are approved by shareholders at the general meeting to be held on 28 June 2021. This follows our announcement on 3 June 2021 of a proposed share buy-back programme.

A full explanation of each of the resolutions to be put to the AGM is on pages 7 to 9. Information on the proposed special dividend and share consolidation is in the circular to shareholders published on 3 June 2021.

Recommendation

Your Directors consider that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and recommend shareholders vote in favour of the resolutions, as they intend to do in respect of their own shareholdings.

Electronic communications

The Company's policy is to provide all shareholder documents electronically whenever possible.

Publishing documents via our website is not only more secure, it is quicker, more cost effective, and reflects the Company's sustainability objectives as less resources and energy are used compared with traditional printing and distribution methods.

If you now wish to sign up to receive future shareholder communications electronically, you can do so via the share portal service provided by our registrar. To register simply go to www.signalshares.com and select 'Account Registration' and then follow the on-screen instructions by inputting your surname and your Investor Code. You will also need to input your postcode and your email address.

Yours sincerely



Gill Rider
Chair

Pennon Group plc

17 June 2021

Notice of Annual General Meeting 2021

Notice is hereby given that the 2021 AGM of Pennon Group plc will be held at Sandy Park Conference Centre, Rydon Lane, Exeter EX2 7NN on Thursday 22 July 2021 at 2.30pm for the transaction of the following business.

The following resolutions will be proposed as ordinary resolutions:

Reports and accounts

Resolution 1

That the annual accounts and reports for the year ended 31 March 2021 be received and adopted.

Dividend

Resolution 2

That a final dividend of 14.97p per (existing) ordinary share of 40.7p each or alternatively (if the share consolidation proposed for approval at the General Meeting of shareholders convened for 28 June 2021 is approved) a final dividend of 22.46p per (consolidated) ordinary share of 61.05p each, in each case recommended by the Directors for the financial year ended 31 March 2021, be declared for payment on 2 September 2021 to ordinary shareholders registered on the register of members as at the close of business on 23 July 2021.

Directors' remuneration report

Resolution 3

That the Directors' remuneration report for the financial year ended 31 March 2021, as contained in the Company's annual report 2021 (excluding those elements forming part of the Directors' remuneration policy), be approved.

Directors

Resolution 4

To re-elect Gill Rider as a Director.

 [Read biography on page 10](#)

Resolution 5

To re-elect Susan Davy as a Director.

 [Read biography on page 10](#)

Resolution 6

To re-elect Paul Boote as a Director.

 [Read biography on page 10](#)

Resolution 7

To re-elect Neil Cooper as a Director.

 [Read biography on page 10](#)

Resolution 8

To re-elect Iain Evans as a Director.

 [Read biography on page 11](#)

Resolution 9

To re-elect Claire Ighodaro as a Director.

 [Read biography on page 11](#)

Resolution 10

To re-elect Jon Butterworth as a Director.

 [Read biography on page 11](#)

Reappointment of auditor

Resolution 11

That Ernst & Young LLP be reappointed auditor of the Company to hold office until the conclusion of the next AGM at which accounts are laid before the Company.

Auditor's remuneration

Resolution 12

That the Audit Committee be authorised to determine the remuneration of the auditor on behalf of the Board.

Political donations

Resolution 13

That in accordance with Section 366 of the Companies Act 2006 the Company, and all companies that are subsidiaries of the Company at any time during the period for which the resolution has effect, be generally and unconditionally authorised to:

- (a) make political donations to political parties and/or independent election candidates not exceeding £75,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £75,000 in total; and
- (c) incur political expenditure not exceeding £75,000 in total,

during the period from the date of this resolution to the date of the next AGM of the Company in 2022, or if earlier at the close of business on 1 October 2022, provided that the aggregate amount of any such donations and expenditure shall not exceed £75,000 and that for the purpose of this resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in Sections 363 to 365 of the Companies Act 2006.

Authority to allot shares

Resolution 14

That:

- (a) the Directors be generally and unconditionally authorised, in accordance with Section 551 of the Companies Act 2006, to exercise all powers of the Company to allot shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company:
 - (i) up to a maximum nominal amount of £57,267,383 (such amount to be reduced by the nominal amount of any equity securities (as defined in Section 560 of the Companies Act 2006) allotted under paragraph (ii) below in excess of £57,267,383); and
 - (ii) comprising equity securities (as defined in Section 560 of the Companies Act 2006) up to a maximum nominal amount of £114,534,766 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue:
 - (A) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (B) to holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

and so that the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter;

- (b) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 October 2022;
- (c) the Company may, before this authority expires, make an offer or enter into an agreement which would or might require shares to be allotted or rights to be granted after it expires and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if this authority had not expired; and
- (d) all previous unutilised authorities under Section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to Section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

The following resolutions will be proposed as special resolutions:

General authority to disapply pre-emption rights

Resolution 15

That:

- (a) the Directors be given power:
 - (i) subject to the passing of Resolution 14 above, to allot equity securities (as defined in Section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under Section 551 of that Act; and
 - (ii) to allot equity securities as defined in Section 560(3) of that Act (sale of treasury shares) for cash,
 - in either case as if Section 561 of that Act did not apply to the allotment or sale, but this power shall be limited:
 - (A) to the allotment of equity securities in connection with an offer or issue of equity securities (but in the case of the authority granted under Resolution 14(a) (ii), by way of a rights issue only) to or in favour of:
 - (I) holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (II) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

Notice of Annual General Meeting 2021 continued

and so that the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and

(B) to the allotment of equity securities pursuant to the authority granted under Resolution 14(a)(i) and/or by virtue of Section 560(3) of the Companies Act 2006 (in each case otherwise than under paragraph (A) above) up to a maximum nominal amount of £8,590,107;

- (b) this power shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 October 2022; and
- (c) the Company may, before this power expires, make an offer or enter into an agreement, which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Authority to disapply pre-emption rights in connection with an acquisition or specified capital investment

Resolution 16

That:

- (a) the Directors, in addition to any authority granted under Resolution 15 above, be given power:
- (i) subject to the passing of Resolution 14, to allot equity securities (as defined in Section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under Section 551 of that Act; and
- (ii) to allot equity securities as defined in Section 560(3) of that Act (sale of treasury shares) for cash,
- in either case as if Section 561 of that Act did not apply to the allotment or sale, but this power shall be:
- (A) limited to the allotment of equity securities up to a maximum nominal amount of £8,590,107; and
- (B) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) 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;

- (b) this power shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 October 2022; and
- (c) the Company may, before this power expires, make an offer or enter into an agreement, which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Authority to purchase own shares

Resolution 17

That in accordance with the Companies Act 2006, the Company is generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares in the capital of the Company on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:

- (a) the maximum number of ordinary shares that may be purchased under this authority is 42,183,689;
- (b) the minimum price which may be paid for each ordinary share is the nominal value of the share (exclusive of expenses payable by the Company in connection with the purchase);
- (c) the maximum price which may be paid for each ordinary share purchased under this authority (exclusive of expenses payable by the Company in connection with the purchase) shall not be more than the higher of (i) an amount equal to 105% of the average of the middle market quotations for such ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out;
- (d) this authority will, unless previously varied, revoked or renewed, expire at the conclusion of the next AGM of the Company or, if earlier, on 1 October 2022, but the Company may make a contract or contracts to purchase ordinary shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority and may make purchases of ordinary shares pursuant to any such contract; and
- (e) all existing authorities for the Company to make market purchases of ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has or have not yet been executed.

Notice of general meetings

Resolution 18

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

By order of the Board



Simon Pugsley Group General Counsel and Company Secretary, Pennon Group plc

Registered Office: Peninsula House, Rydon Lane,
Exeter EX2 7HR

Registered in England and Wales No. 2366640

17 June 2021

Important notes

The following notes explain your general rights as a shareholder in relation to the AGM.

Meeting arrangements including live webcast

Please refer to the Chair's letter on pages 1 and 2 for information on our meeting arrangements for this year. **In view of the ongoing COVID-19 situation, we strongly encourage shareholders to participate in the 2021 AGM remotely by joining us for the live webcast and to appoint the chair of the meeting as proxy, with voting instructions.**

The situation in relation to COVID-19 continues to evolve and it is possible the Government may introduce further restrictions or measures. Any changes to our AGM arrangements will be communicated to shareholders via the Company's website at www.pennon-group.co.uk/investor-information/shareholder-services, and we encourage you to monitor our website for any updates.

Entitlement to vote

Only those shareholders registered on the register of members of the Company as at close of business on 20 July 2021 (or, if this meeting is adjourned, at close of business on the day that is two days prior to the date fixed for the adjourned meeting), shall be entitled to vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after close of business on 20 July 2021 or, if this meeting is adjourned, at close of business on the day that is two days prior to the adjourned meeting, shall be disregarded in determining the rights of any shareholder to vote at the AGM. In calculating the period mentioned in this paragraph, no account shall be taken of any day that is not a working day.

A shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote provided that each proxy is appointed to vote in respect of a different share or shares. A proxy need not be a shareholder but must attend the meeting for the shareholder's vote to be counted. For the 2021 AGM, as explained in the Chair's letter, we strongly encourage you to appoint the chair of the AGM as proxy, with voting instructions. You must inform the Company's registrar, Link Market Services (Link), in writing of any termination of the authority of a proxy. If a share is held by joint shareholders, and more than one of the joint shareholders votes (including by way of proxy), the only vote that will count for that share is the vote of the person whose name is listed before the other shareholders on the register of members.

Appointing a proxy

Shareholders may register a proxy appointment and voting directions electronically by visiting www.signalshares.com.

For security purposes you will need to log on with your personal details and Investor Code, which can be found on recent communications such as your dividend confirmation or your share certificate. Full instructions are given on the website. **The proxy appointment and voting instructions should reach Link not less than 48 hours before the time appointed for the holding of the AGM or 24 hours (excluding any part of a day that is not a working day) before the time for holding any adjourned meeting that is to be held more than 48 hours after the time fixed for holding the original meeting.**

Alternatively, you may request a hard copy proxy form by telephoning Link on **0371 664 9234** (calls are charged at standard geographic rates and will vary by provider) or **+44 371 664 9234** for outside the UK (charged at the applicable international rate). Lines are open 8.30am to 5.30pm Monday to Friday excluding public holidays in England and Wales. For both UK and overseas shareholders, calls are charged at a standard rate.

A shareholder can appoint a proxy only using the procedures set out in these notes. More than one proxy may be appointed provided each proxy is appointed to exercise rights attached to different shares. To appoint more than one proxy, a shareholder must follow the instructions given on the relevant electronic facility or, if appointing multiple proxies by post, complete a separate proxy form for each proxy. A shareholder appointing more than one proxy should indicate the number of shares for which each proxy is authorised to act on his or her behalf.

If you return more than one valid proxy appointment, either by electronic communication or by paper, the valid proxy appointment received last by the registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Any electronic communication found to contain a computer virus will not be accepted.

To be valid any proxy appointment must be received via www.signalshares.com if the appointment is made electronically, or by delivery to the registrar at the address shown on the proxy form if submitted in hard copy form, or lodged using the CREST or Proximity proxy voting service: (i) no later than 2.30pm on 20 July 2021; or (ii) in the case of any adjourned meeting that is to be held more than 48 hours after the time fixed for holding the original meeting, no less than 24 hours (excluding any part of a day that is not a working day) before the time for holding any adjourned meeting; or (iii) in the case of a poll taken more than 48 hours after it is demanded, no less than 24 hours (excluding any part of a day that is not a working day) before the taking of the poll at which it is to be used. Further details regarding the CREST proxy voting service are given below. Any power of attorney or any other authority under which the proxy form is signed (or a certified copy of such authority) must be included with the proxy form.

The 'Vote Withheld' option on the proxy form is provided to enable shareholders to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

Electronic proxy appointment through CREST or Proximity

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 22 July 2021 and any adjournment(s) thereof by following 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 take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid the appropriate CREST message (CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction 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 the instruction given to a previously appointed proxy, must in order to be valid be transmitted so as to be received by the Company's registrar, Link Market Services (ID RA10) by no later than 2.30pm on 20 July 2021 or, if the meeting is adjourned to a time more than 48 hours after the time fixed for holding the original meeting, 24 hours (excluding any part of a day that is not a working day) before the time fixed for the 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) at which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instruction to proxies appointed through CREST should be communicated to the appointees 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 service 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.

Important notes continued

If you are an institutional investor you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by Link Market Services. For further information regarding Proximity, please go to www.proximity.io. Your proxy must be lodged by 2.30pm on Tuesday 20 July 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Corporate representatives and nominated persons

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.

Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in the notes above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.

Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.

AGM results announcement and total voting rights

Voting on all resolutions will be conducted by way of a poll rather than on a show of hands. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including all votes of shareholders who do not attend the AGM in person but give proxy instructions to the chair of the meeting. On a poll, each ordinary shareholder has one vote for every ordinary share held. As soon as practicable following the AGM the results of the voting at the meeting will be announced via a Regulated Information Service and also placed on the Company's website www.pennon-group.co.uk/investor-information/shareholder-services.

As at 17 June 2021 (being the last practicable date prior to the publication of this Notice of AGM), the Company's issued share capital consists of 422,126,747 ordinary shares of 40.7p each, of which 8,443 ordinary shares are held in treasury. Therefore, the total voting rights in the Company as at 17 June 2021 are 422,118,304.

Shareholders will be aware that a 2 for 3 share consolidation is to be proposed to shareholders at a General Meeting of the Company on 28 June 2021 and, subject to shareholder approval, is expected to be effective from close of business on 2 July 2021. If the share consolidation is approved, the total voting rights in the Company based on the Company's anticipated issued share capital immediately after the share consolidation will be 281,412,203.

Shareholders' right to raise questions

Members satisfying the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) 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 AGM; or (b) any circumstances 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 Companies Act 2006 and which the members propose to raise at the meeting. The Company may not require the members requesting the publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Any statement placed on the website must also be sent to the Company's auditor not later than the time it makes its statement available on the website. The business that may be dealt with at the AGM includes any statement under Section 527 of the Companies Act 2006 that the Company has been required to publish on its website.

A member attending a general meeting has the right to ask questions. Pursuant to Section 319A of the Companies Act 2006, a Company must cause to be answered at its AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except if (a) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered, (b) the answer has already been given on a website in the form of an answer to a question, or (c) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information. Please refer to the Chair's letter on page 2 for the additional arrangements we have made for shareholders to ask questions this year.

Documents available for inspection

Copies of: (i) the Executive Directors' service contracts and; (ii) the Chair's and the Non-Executive Directors' contracts for service are at the Registered Office of the Company and will be at the place of the AGM for 15 minutes before the meeting and until its conclusion. In view of the ongoing COVID-19 situation, please contact IR@pennon-group.co.uk should you have any questions or should you wish to make arrangements to inspect a document.

A copy of this Notice of AGM, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website: www.pennon-group.co.uk/investor-information/shareholder-services.

Electronic addresses

Please note you may not use any electronic address provided either in this Notice of AGM or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Live webcast

We are pleased to be able to provide a facility for shareholders to follow the AGM remotely and submit questions to the Board on the business of the meeting. Please note that shareholders joining us via the live webcast will not be able to vote on the day and so are urged to register their vote in advance by appointing the chair of the meeting as proxy, with voting instructions, as explained in the Chair's letter on pages 1 and 2.

How to join the live webcast

You will need to visit www.pennon-group.co.uk/investor-information/shareholder-services/general-meetings using your smartphone, tablet or computer. You will then be prompted to enter your unique 11-digit Investor Code (IVC) including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a shareholder.

Your IVC can be found on your share certificate, or Signal Shares users (www.sharesignals.com), including WaterShare+ participants, will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Link, our Registrar, by calling +44 (0) 371 277 1020*.

Access to the AGM will be available from 30 mins before start of event although you will not be able to submit questions until the meeting is declared open. An active internet connection is required at all times in order to allow you to access the live webcast. It is the user's responsibility to ensure you remain connected for the duration of the meeting.

If you would like another person to join the live webcast on your behalf, please contact Link Group on +44 (0) 371 277 1020* in order to obtain their unique IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the meeting.

If your shares are held within a nominee (other than the Watershare+ nominee), and you wish to join the live webcast, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group, our registrar, as soon as possible and at least 72 hours (excluding non-business days) before the meeting, in order that they can obtain for you your unique IVC and PIN to enable you to access the live webcast.

How to ask a question during the live webcast

Shareholders who log on for the live webcast will be able to ask questions through the 'Ask a question' box. Type your message within the chat box and once you are happy with your message click the 'Submit' button. Please note that we encourage you, where possible, to submit your questions in advance of the meeting, as explained in the Chair's letter on page 2.

* Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

Explanatory notes on resolutions

Annual reports and accounts

Resolution 1 proposes that shareholders receive and adopt the Company's annual reports and accounts (the annual report).

The annual report is available on the Company's website at www.pennon-group.co.uk/investor-information. Printed copies have been sent to shareholders who have previously registered a preference for paper communications. Printed copies can also be obtained from the Company's registrar.

Final dividend

Resolution 2 proposes that shareholders approve the declaration of a final dividend. If approved, the final dividend will become payable on 2 September 2021 to ordinary shareholders on the register at close of business on 23 July 2021.

As announced on 3 June 2021, the final dividend recommended by the Directors is 14.97p per ordinary share (based on the ordinary shares with a nominal value of 40.7p each in issue as at both the date of the announcement and as at the latest practicable date prior to publication of this Notice of AGM). If the 2 for 3 share consolidation (the "Share Consolidation") to be proposed to shareholders at the General Meeting on 28 June 2021 (the "General Meeting") is approved, the recommended final dividend will be re-based to 22.46p per consolidated ordinary share of 61.05p. The recommended final dividend is in addition to the special dividend of 355p per ordinary share of 40.7p proposed for approval at the General Meeting.

Directors' remuneration report

Resolution 3 proposes the approval of the Directors' remuneration report (excluding those elements forming part of policy), which is set out on pages 108 to 129 inclusive of the annual report. It is a requirement, pursuant to Section 439 of the Companies Act 2006, that the Directors' remuneration report be submitted to shareholders for approval. The vote on Resolution 3 is advisory only and the Directors' entitlement to remuneration is not conditional on this resolution being passed.

Re-election of Directors

In accordance with the UK Corporate Governance Code, each Director will stand for re-election at the AGM (see resolutions 4 to 10).

Details of the skills and experience of each Director can be found on pages 10 and 11. Information regarding their remuneration is set out in the annual report.

The Board supports the re-election of each Director, as it believes that the particular knowledge and experience of each Director assists in ensuring that the Board has an appropriate balance of skills and experience for the requirements of the business. It is the Board's view that the Directors' biographies on pages 10 and 11 illustrate why each Director's contribution is important to the Company's long-term sustainable success.

The Chair confirms that the formal annual performance evaluation of the Board that was carried out in March 2021, concluded that each Non-Executive Director performed effectively and demonstrated commitment to his or her role, including commitment to time for Board and Committee meetings and other duties as they are likely to arise.

The Board has determined that each of the Non-Executive Directors is independent. In making its assessment, the Board gave particular consideration to those with the longest service. The Board is satisfied that, based on their participation at meetings and their contribution outside of the boardroom, they both demonstrate independence of character and judgement in the performance of their roles. Further information on Board composition, independence and experience can be found on pages 90, 91 and 93 of the annual report.

Reappointment of auditor

Resolution 11 proposes the reappointment of Ernst & Young LLP as auditor of the Company to hold office until the conclusion of the next AGM at which accounts are laid before the Company, as recommended by the Audit Committee.

Auditor's remuneration

Resolution 12 proposes that the Audit Committee be authorised to determine the level of the auditor's remuneration.

Political donations

Whilst Resolution 13 requests shareholder approval by way of an ordinary resolution to approve political donations and expenditure, please note that the Company and its subsidiaries have a policy that they do not make political donations or incur political expenditure. However, the Companies Act 2006 contains restrictions on companies making donations or incurring political expenditure and defines these terms very widely, such that activities that form part of the normal relationship between the Company and its subsidiaries and bodies concerned with policy review, law reform and other business matters affecting the Company may be included.

These types of activities, which are in the shareholders' interests for the Company and its subsidiaries to conduct, are not designed to support, or implement support for, a particular political party.

The Board believes that the authority proposed under this resolution (which is the same as that agreed by shareholders at the AGM last year and in previous years) is necessary to ensure that the Company, and its subsidiaries, do not commit any technical breach that could arise from the uncertainty generated by the wide definitions contained within the Companies Act when carrying out activities in the furtherance of their legitimate business interests.

Authority to allot shares

Resolution 14 requests shareholder approval by way of an ordinary resolution to renew (in compliance with published institutional guidelines) until 1 October 2022 or, if earlier, the conclusion of the next AGM of the Company, the Directors' authority to allot ordinary shares or grant rights to subscribe for or convert any security into shares in the Company in accordance with Section 551 of the Companies Act 2006. The authority will replace the similar authority requested of shareholders at the General Meeting on 28 June 2021, which, if granted, will have replaced the equivalent authority to allot shares granted at the 2020 AGM. It is the Directors' intention to seek to renew this authority annually in accordance with investor guidelines.

The Investment Association (IA) guidelines on Directors' authority to allot shares state that IA members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of a company's issued share capital or up to two-thirds of existing issued share capital where such authority is to be applied for a fully pre-emptive rights issue.

Paragraph (a)(i) of Resolution 14 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £57,267,383 representing approximately one third (33.33%) of the Company's existing issued share capital (excluding shares held in treasury) and calculated both as at 17 June 2021 (being the latest practicable date prior to publication of this Notice of AGM) and on the basis of the Company's anticipated issued share capital immediately after the Share Consolidation (if the Share Consolidation is approved at the General Meeting).

In accordance with the guidelines issued by the IA, paragraph (a)(ii) of Resolution 14 will allow Directors to allot, including the ordinary shares referred to in paragraph (a)(i) of Resolution 14, further of the Company's ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £114,534,766 representing approximately two thirds (66.67%) of the Company's existing issued share capital (excluding shares held in treasury) and calculated both as at 17 June 2021 (being the latest practicable date prior to publication of this Notice of AGM), and on the basis of the Company's anticipated issued share capital immediately after the Share Consolidation (if the Share Consolidation is approved at the General Meeting).

The Directors have no present intention of issuing new ordinary shares (other than pursuant to the Company's employee share schemes) but they do consider that they should have this authority in order to be able to take advantage of opportunities as they arise and to retain flexibility. If they do exercise this authority, the Directors intend to follow best practice as regards its use, as recommended by the IA.

As at 17 June 2021, the Company held 8,443 ordinary shares of 40.7p each in treasury, which represents approximately 0.002% of the total ordinary share capital in issue (excluding shares held in treasury) as at 17 June 2021 (being the latest practicable date prior to publication of this Notice of AGM).

If the Share Consolidation is approved at the General Meeting, and based on the Company's anticipated issued share capital immediately after the Share Consolidation, there will be 5,628 (consolidated) ordinary shares of 61.05p each in treasury, representing approximately 0.002% of the total ordinary share capital in issue (excluding shares held in treasury).

Explanatory notes on resolutions continued

General authority to disapply pre-emption rights

Resolution 15 requests shareholder approval by way of a special resolution to renew until 1 October 2022 or if earlier, the conclusion of the next AGM of the Company, the Directors' authority to allot equity securities for cash without first being required to offer such securities to existing shareholders. The authority will replace the similar authority requested of shareholders at the General Meeting on 28 June 2021, which, if granted, will have replaced the equivalent authority granted at the 2020 AGM. If this resolution is approved, the Directors will be authorised to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares for cash up to a maximum nominal amount of £8,590,107 which includes the sale on a non-pre-emptive basis for cash of any shares the Company may hold in treasury. The maximum nominal amount of equity securities to which this authority relates represents not more than 5% of the issued share capital of the Company (excluding shares held in treasury) calculated both as at 17 June 2021 (being the latest practicable date prior to publication of this Notice of AGM) and on the basis of the Company's anticipated issued share capital immediately after the Share Consolidation (if the Share Consolidation is approved at the General Meeting).

The Directors do not intend to issue, under a general authority to disapply pre-emption rights used other than in conjunction with an acquisition or specified capital investment in line with the Pre-Emption Group Statement of Principles 2015 (the Statement of Principles), more than 7.5% of the Company's issued share capital for cash on a non-pre-emptive basis in any rolling three-year period without prior consultation with shareholders.

It is the Directors' intention to seek to renew this authority annually in accordance with investor guidelines.

Authority to disapply pre-emption rights in connection with an acquisition or specified capital investment

Resolution 16 requests further shareholder approval, by way of a separate special resolution in line with the best practice guidance issued by the Pre-Emption Group, for the Directors to allot equity securities or sell treasury shares for cash without first being required to offer such securities to existing shareholders. The authority will replace the similar authority requested of shareholders at the General Meeting on 28 June 2021, which, if granted, will have replaced the equivalent authority granted at the 2020 AGM. The proposed resolution reflects the Statement of Principles and will expire on 1 October 2022 or at the conclusion of the AGM in 2022, whichever is the earlier.

The authority granted by this resolution, if passed:

- (i) will be limited to the allotment of equity securities and sale of treasury shares, for cash up to an aggregate nominal value of £8,590,107, which represents not more than 5% of the issued share capital of the Company (excluding shares held in treasury) calculated both as at 17 June 2021 (being the latest practicable date prior to publication of this Notice of AGM) and on the basis of the Company's anticipated issued share capital immediately after the Share Consolidation (if the Share Consolidation is approved at the General Meeting); and
- (ii) will only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The authority granted by this resolution would be in addition to the authority under Resolution 15.

The maximum nominal value of equity securities which could be allotted if both authorities were used would be £17,180,214, which represents not more than 10% of the issued share capital (excluding shares held in treasury) of the Company calculated both as at 17 June 2021 (being the latest practicable date prior to publication of this Notice of AGM) and on the basis of the Company's anticipated issued share capital immediately after the Share Consolidation (if the Share Consolidation is approved at the General Meeting).

Authority to purchase ordinary shares of the Company

Resolution 17 requests shareholder approval by way of a special resolution to renew the Company's authority to purchase up to 42,183,689 shares (representing approximately 14.99% of its ordinary shares in issue (excluding treasury shares) as calculated on the basis of the Company's anticipated issued share capital immediately after the Share Consolidation (if the Share Consolidation is approved at the General Meeting)). The resolution specifies the minimum and maximum prices at which shares may be purchased. The authority will replace the similar authority to purchase up to 14.99% of the Company's issued shares (excluding treasury shares) as requested of shareholders at the General Meeting on 28 June 2021, and which, if granted, will have replaced the authority to purchase up to 10% of the Company's issued shares (excluding treasury shares) granted at the 2020 AGM. Should the Company's issued share capital as at the date of the 2021 AGM be lower than the anticipated issued share capital immediately after the Share Consolidation due to any buyback activities undertaken in the period between the Share Consolidation (if approved) and the date of the 2021 AGM, the Directors will limit the Company's use of such authority to 14.99% of the total issued ordinary share capital (excluding shares held in treasury) as at the date of the 2021 AGM.

The 42,183,689 figure specified in the resolution represents approximately 10% of the Company's ordinary shares in issue (excluding treasury shares) as at 17 June 2021 (being the latest practicable date prior to publication of this Notice of AGM), before the Share Consolidation. Therefore, if the Share Consolidation is not approved at the General Meeting, this resolution will, if passed, relate to approximately 10% of the Company's ordinary shares in issue.

This authority is requested in order to increase the Company's flexibility to optimise the long-term financial and tax efficiency of its capital structure and to implement the share buyback programme announced on 3 June 2021. The Directors confirm that they will only purchase shares where they believe the effect would be to increase future earnings per share on those shares not purchased and where it would be in the best interests of shareholders.

As explained in the circular to shareholders in relation to the General Meeting published on 3 June 2021 (the "Circular"), the Board believes that seeking an authority to repurchase up to 14.99% of the Company's issued share capital, calculated on the basis of the Company's anticipated issued share capital immediately after the Share Consolidation (if approved), is necessary to provide the required authority headroom in order to execute the potential £0.4 billion on-market share buyback programme, expected to be initiated after payment of the special dividend proposed to shareholders at the General Meeting and expected to conclude before 30 September 2022. As also explained in the Circular, in the event that compelling growth opportunities arise in the UK water sector, the Board may decide not to initiate or to halt any share buyback and use the remaining proceeds from the sale of Viridor to pursue that opportunity in order to drive further shareholder value.

The Companies Act 2006 allows companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them.

In addition to shares already held in treasury, the Directors may decide to hold further of the Company's own shares that may be purchased pursuant to the authority conferred by this resolution as treasury shares as an alternative to cancelling them. Shares held in treasury may subsequently be cancelled, sold for cash or issued for the purposes of satisfying share options and share awards under the Company's employee share schemes. The Directors believe that holding shares in treasury provides the Company with greater flexibility in management of its share capital. No dividends may be paid on shares held in treasury and no voting rights are exercisable in respect of treasury shares.

The total number of options to subscribe for ordinary shares that were outstanding as at 17 June 2021 (being the latest practicable date prior to publication of this Notice of AGM) was 1,476,531. The proportion of the Company's issued share capital that they represented at that time was 0.35%. If the Share Consolidation is approved at the General Meeting, the proportion of issued share capital that they will represent if the full authority to purchase shares (existing following the General Meeting and being sought at the 2021 AGM) is used is 0.75%.

Calling of general meetings

Resolution 18 requests shareholder approval by way of a special resolution to enable Directors to continue to be able to call general meetings, other than AGMs, on 14 clear days' notice. A similar resolution has been passed by shareholders at previous AGMs. The notice period required by the Companies Act 2006 for general meetings is 21 clear days' notice unless shareholder approval has been obtained for the holding of such meetings on not less than 14 clear days' notice, as sought by Resolution 18. AGMs must always be held on at least 21 clear days' notice. The Company undertakes to meet the requirements for electronic voting under the Companies Act 2006 before calling a general meeting on less than 21 clear days' notice.

If given, the approval will be effective until the Company's next AGM when it is intended that a similar resolution will be proposed.

The Directors will only consider taking advantage of the flexibility permitted by this authority where (taking into account the circumstances) it is appropriate and considered necessary to do so in the interests of the Company and shareholders as a whole.

Board of Directors

A refreshed Board



Gill Rider
Chair



CB, PhD, CCIIPD

Appointed

Gill was appointed to the Board on 1 September 2012 and became Chair on 31 July 2020.

Skills and experience

- Gill has a wealth of experience in leadership and governance across a broad range of sectors including professional services, education, not for profit and government.
- Gill was the senior independent director of Charles Taylor plc until its sale in January 2020.
- Formerly, she was head of the Civil Service Capability Group in the Cabinet Office, reporting to the Cabinet Secretary and prior to that held a number of senior positions with Accenture LLP culminating in the post of chief leadership officer for the global firm. She was previously president of the Chartered Institute of Personnel and Development and chair of the council of the University of Southampton.

Other appointments

- Gill is currently a non-executive director of Intertek Group plc where she is also Chair of their remuneration committee. In addition to her PLC roles, Gill is also the President of the Marine Biological Association.



Susan Davy
Chief Executive Officer



BSc Hons, ACA

Appointed

Susan was appointed Chief Executive Officer on 31 July 2020. She was appointed to the Board in February 2015 as Chief Financial Officer, having joined the Group as Finance Director of South West Water in 2007.

Skills and experience

- Susan's knowledge of the industry, coupled with her financial and regulatory expertise, has underpinned the development of Pennon's strategy which has included the value creating acquisition of Bournemouth Water in 2015 and the successful Viridor disposal process, both of which she has led. In her 25 years' experience in the utility sector, Susan has also held a number of other senior roles in the water sector, including at Yorkshire Water.
- Under her guidance South West Water is the only water company to have achieved fast-track status for two consecutive business plans – the first in 2014, the second in 2019.
- Susan is highly respected in the City and has been instrumental in building Pennon's reputation.

Other appointments

- She is a Non-Executive Director and Audit Chair of Restore Plc, a member of the CBI President's Committee, deputy Chair of the CBI South West, having served as Chair from 2018-2021, a Water UK Board member, member of the Energy & Utilities Skills Partnership Council and was previously a member of the A4S (Accounting for Sustainability) CFO leadership network.



Paul Boote
Group Finance Director



BSc, FCA

Appointed

Paul was appointed to the Board on 8 July 2020.

Skills and experience

- Paul is a chartered accountant with over 20 years' experience. Prior to joining Pennon ten years ago, he held senior finance roles at companies operating in the sport, construction and environmental infrastructure industries.
- Paul has held a number of senior roles at Pennon, most recently as Pennon's Director of Treasury, Tax and Group Finance. During this time, he was responsible for the development of Pennon's sector-leading sustainable debt portfolio, ensuring the Group maintains a responsible approach to tax, as well as leading on financial reporting matters.
- Over the past year, Paul has been instrumental in the development and successful implementation of the Group's recent strategic review.
- Paul holds a number of directorships with Group subsidiary companies and is a key member of the executive Finance Committee which he now chairs.
- Paul's knowledge of the Group and relationships with key external stakeholders, coupled with his corporate finance and financial reporting experience, provides continuity to the Board as the Group evolves through this strategic review period.

Other appointments

None.



Neil Cooper
Senior Independent
Director (Non-Executive)



BSc Hons, FCMA

Appointed

Neil was appointed to the Board on 1 September 2014 and became Senior Independent Director on 31 July 2020.

Skills and experience

- Neil brings to the Board extensive experience in a wide variety of corporate and financial matters.
- Previously, he was group finance director of Barratt Developments plc and, before that, group finance director of William Hill plc and Bovis Homes plc. He also held senior finance positions at Whitbread plc, worked for PricewaterhouseCoopers as a management consultant and held a number of roles with Reckitt & Colman plc.
- As chair of the Audit Committee, Neil has been influential in directing Pennon's approach on a number of significant matters including internal control, governance and financial reporting.

Other appointments

- He is currently the chief financial officer of Currencies Direct, a foreign exchange broker and international payment provider.



Iain Evans ●▲●●●●
Independent Director
(Non-Executive)

CBE, BSc Hons, FCA, MBA

Appointed

Iain was appointed to the Board on 1 September 2018.

Skills and experience

- Iain has 40 years of extensive global experience in advising companies and governments on issues of complex corporate strategy.
- In 1983, he co-founded L.E.K. Consulting in London and built it into one of the world’s largest and most respected corporate strategy consulting firms with a global footprint active in a wide range of industries.
- Iain was appointed as a non-executive director of Welsh Water plc in 1989 and served on the board for nearly ten years, including five years as chair.
- As Chair of the ESG Committee, Iain is leading Pennon’s development of a sustainability programme that underpins the delivery of Pennon’s strategy.

Other appointments

- Iain is a non-executive director of Bologna Topco Limited and continues to act as an independent corporate strategy consultant.



Claire Ighodaro ●●●●▲
Independent Director
(Non-Executive)

CBE, BSc Hons, FCMA, DUUniv (Hon)

Appointed

Claire was appointed to the Board on 1 September 2019.

Skills and experience

- Claire has held a number of senior roles and directorships of UK and international organisations and has extensive board experience, serving on audit, remuneration and governance committees.
- In May 2019, she stepped down from Bank of America’s Merrill Lynch International Board as Chair of the governance committee having served the maximum term.
- Claire is a past president of CIMA and was the first woman to lead this organisation.
- She spent most of her executive career with BT plc. She has also held non-executive directorships across a diverse portfolio including audit committee Chair of Lloyd’s of London, The Open University and various UK public bodies including UK Trade & Investment and the British Council.
- As Chair of the Remuneration Committee, Claire continues to steer Pennon’s approach on executive remuneration, ensuring that it is aligned with and supports the Group’s strategy.

Other appointments

- Claire is non-executive Chair of the Board and the Governance Committee for Axa XL - UK entities and non-executive director of Flood Re, where she is also Audit Committee Chair and a member of the Remuneration Committee.



Jon Butterworth ●●▲●●●
Independent Director
(Non-Executive)

MBE, MSc, Flod

Appointed

Jon was appointed to the Board on 8 July 2020.

Skills and experience

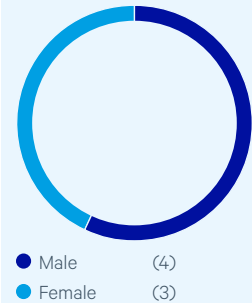
- Jon is the independent scrutineer of health and safety processes across the Group to help ensure that these are robust and effective. He chairs the Health and Safety Committee.
- Jon has a distinguished track record within the utility industry, having started his career over 40 years ago in British Gas as an apprentice technician.
- Jon was Managing Director of North West Gas and subsequently the National Operations Director in National Grid, before taking on the role of Global Director of Safety, Sustainability & Resilience.
- Jon’s utility background provides him with an immense depth of knowledge and experience of the importance of maintaining a balance between profit and safety and constructively challenges the Board and management to constantly raise the bar in this area.

Other appointments

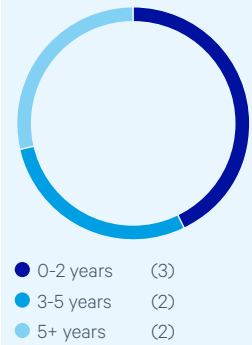
- Jon is currently the Chief Executive Officer of National Grid Ventures (NGV) and a member of the National Grid Plc executive committee.
- Jon is a Fellow of the Institute of Directors and is also Chair of North Sea Link, NEMO Link, BritNed Netherlands, Interconnectors Holding Ltd, National Grid Metering, Ex-Chair of CORGI Board, Ex-Ambassador of the HM Young Offenders Programme and a trustee of the National Gas Museums Trust.

Our Board

BOARD COMPOSITION



TENURE



COMMITTEE MEMBERSHIP KEY

- Pennon Executive
- Audit Committee
- ESG Committee
- Health and Safety Committee
- Nomination Committee
- Remuneration Committee
- △ Chair of Committee
- Member of Committee

Additional information

Key dates

Date and time	What happens
2.30pm Monday 19 July 2021	Deadline for receipt of voting instructions from WaterShare+ participants to the WaterShare+ nominee
2.30pm Tuesday 20 July 2021	Deadline for receipt of proxy appointment from shareholders to our Registrars, Link Market Services
2.30pm Thursday 22 July 2021	AGM held at Sandy Park Conference Centre, Sandy Park Way, Exeter EX2 7NN
Friday 23 July 2021	Record date for entitlement to the 2021 final dividend
Thursday 2 September 2021	Payment of the 2021 final dividend to holders of ordinary shares

Contact information

You can find information on how to manage your share-holding at www.signalshares.com. You will need your Investor Code to register for this service. The investor code is up to 11 digits long and can be found on recent communications such as your dividend confirmation or a share certificate.

Telephone

Shareholder helpline – for general enquiries call:

0371 664 9234 (lines are open 8:30am to 5:30pm Monday to Friday excluding public holidays in England and Wales)

+44 371 664 9234 (for outside the UK)

For both UK and overseas shareholders, calls are charged at a standard rate.

Email

pennon@linkgroup.co.uk

Post

Link Group
10th Floor,
Central Square,
29 Wellington Street,
Leeds,
LS1 4DL

You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the proxy form) to communicate with the Company for any purpose other than those expressly stated.



Pennon Group plc

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www.pennon-group.co.uk

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