

**GENERAL MEETING IN RELATION TO THE PROPOSED
SPECIAL DIVIDEND, SHARE CONSOLIDATION, ADDITIONAL
SHARE BUY-BACK AUTHORITY, CHANGES TO ARTICLES OF
ASSOCIATION AND RELATED RESOLUTIONS**

OF

PENNON GROUP PLC

**TO BE HELD AT
PENINSULA HOUSE, RYDON LANE, EXETER, EX2 7HR, UNITED KINGDOM**

INTRODUCTIONS

Good morning.

Thank you for attending this extraordinary general meeting.

My name is Gill Rider and I am the Chair of Pennon and South West Water. I'd like to welcome you all today and especially mention our Watershare+ customers who are here today, attending as shareholders for the first time.

Before we start let me remind you for your safety, in addition to the Covid-19 briefing already given, in the event of a fire alarm, you will be led from the meeting room to the nearest available exit by the security staff.

Joining me today is Susan Davy, Chief Executive Officer and Paul Boote, Group Finance Director. The remainder of the Board are present, attending remotely.

The main purpose of today is to discuss the proposed special dividend, associated changes and related resolutions.

This has been a transformation year for the Group, following the landmark sale of Viridor, completed in July 2020, and we have taken considered and responsible approach to the use of proceeds.

Firstly, we have focused on building a strong foundation for Pennon, positioning the Group sustainably, reducing debt levels, and increasing pension contributions.

Secondly, we have reinvested for growth, with the acquisition of Bristol Water, and supporting the South West region to build back greener. This programme will create 500 jobs and address the most pressing environmental issues that our customers tell us matter most.

Finally, in recognition of the continuing support of our shareholders, we are proposing to return a significant amount of the proceeds as a special dividend, together with a share consolidation and share buy-back programme. These recommendations are the subject of the resolutions at today's general meeting.

The Circular and accompanying documents have covered these in detail, together with proposed changes to the articles of association and related resolutions.

I trust we can assume these have been read in advance of today's meeting.

I'd now like to turn to questions and answers.

Shareholders were invited to submit questions in advance of this meeting. I would like to address those first before turning to our shareholders here today.

Simon Pugsley, our Group General Counsel and Company Secretary, will take you through some of the key themes from questions submitted, which are on the following:

- Costs of consolidation
- Summary of options available
- Tax implications
- Investment in sewage spills v dividend
- Plain English

If you now wish to ask a further question, and are a shareholder, proxy or a corporate representative, you will have been given a card.

Please show these to the steward before asking a question.

When you ask your question, please give your name and ensure that you speak directly into the microphone.

If you are a Proxy, please can you also state the name of the Shareholder you are representing.

May we now have any further questions please.

If there are no more questions, I will now move on to the formal business of the meeting.

Formal Business of the General Meeting Notice and Quorum

I confirm the Notice of General Meeting has been issued to all shareholders as part of the Circular.

Given that at least two shareholders of the Company are in attendance today, I am pleased to confirm that a quorum is present.

Proposals

The business of today's general meeting is to propose and vote on the following shareholder resolutions. After I propose the resolutions, you should cast your votes using the voting card handed to you at the start of the meeting.

Has everyone got one who wants one?

I therefore **propose** the following resolutions as set out fully in the notice of meeting.

Resolution 1, an ordinary resolution, concerning the special dividend to be declared and paid.

Resolution 2, an ordinary resolution, concerning the share consolidation.

Resolution 3, an ordinary resolution, concerning the authority to allot shares.

Resolution 4, a special resolution, concerning the authority to disapply pre-emption rights.

Resolution 5, a special resolution, concerning the authority to disapply pre-emption rights in connection with an acquisition or specified capital investment.

Resolution 6, a special resolution, concerning the authority to purchase own shares.

Resolution 7, a special resolution, concerning the adoption of new articles.

Voting Procedure

Today's general meeting vote will be via a poll, combining the in-person votes with the proxy votes of shareholders cast in advance.

On the screen, we will now show you the details of the votes cast in advance.

As Chair, I am entitled to exercise the proxy votes received from all shareholders who appointed the Chair of this general meeting as their proxy.

Since proxy votes have been received both in favour of and against the Resolutions, I will place a vote both for and against the Resolutions on the poll so that, as required by law, I have voted in accordance with the proxy instructions given to me.

I am in favour of all the Resolutions which, as you know, have been recommended by the Board.

If you have a voting card please now complete it, hold it up and the registrars will collect them.

There will be a short interval whilst this happens.

Declaration of Results

I can now confirm that all the resolutions have been **carried**, with all resolutions having well over the required majority.

Overall results will be published on the company's website following the close of this meeting.

Close

Ladies and Gentlemen, that concludes the formal business of the general meeting, and I declare the general meeting closed.

Thank you for taking the time to join us today and I wish you all a safe journey home.

Remember that our Annual General meeting will take place on the 22nd July.