



Notice of Annual General Meeting 2025

Bringing water to life

**Supporting the lives of people and the places
they love for generations to come**

Notice of Annual General Meeting 2025



David Sproul

Group Chair

This document is important and requires your attention. If you are in any doubt about the action you should take, you should 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 transferred all of your shares in Pennon Group plc (the Company), please send this document and any accompanying documents as soon as possible to the stockbroker, bank or other agent through whom the sale or transfer was affected, for delivery to the purchaser or transferee.

YOUR VOTE IS IMPORTANT. You are strongly encouraged to vote on all resolutions to be proposed at the AGM by appointing the Chair of the meeting as your proxy. A valid proxy appointment must be received by 10am on 22nd July 2025. Further details on how you can appoint a proxy are set out in this notice.

Dear Shareholder

I am pleased to invite you to the Company's AGM, which will be held at Peninsula House, Rydon Lane, Exeter, EX2 7HR on Thursday 24th July 2025 at 10am. The notice of AGM (the Notice) is set out on pages 4-7 of this document.

Safety and Security Notice

The health and wellbeing of our shareholders, colleagues and the wider community is of the utmost importance to the Company. In light of shareholder feedback from last year's AGM we have decided to put security arrangements in place to ensure the safety and comfort for all attendees and colleagues, and I thank you in advance for adhering to these arrangements. The safety and security arrangements can be found on page 16.

We do not permit behaviour that may interfere with anyone's security or safety or the good order of the meeting. The taking of photos, videos or audio recordings is not permitted.

Anyone who wishes to attend our AGM must follow our safety and security arrangements. Anyone who does not comply with our safety and security arrangements will be asked to leave.

Business of the AGM

The business to be considered at this year's AGM is set out below and an explanation of the business appears on pages 11-13 of this document.

This year we will also be seeking approval to amend the Company's Articles of Association to extend the Company's successful WaterShare+ customer share offer scheme, including to extend this to our SES customers, as set out in the explanatory notes, and separately to allow the Company to have the option to hold general meetings entirely virtually.

Notice of Annual General Meeting 2025 (the AGM) Pennon Group plc to be held at Peninsula House, Rydon Lane, Exeter, EX2 7HR on Thursday 24th July 2025 at 10am

Board Changes

As outlined in the Annual Report and Accounts 2025, Laura Flowerdew was appointed to the Board on 11th July 2024 as Group Chief Financial Officer following Steve Buck's decision to step down. Laura will be standing for election at this year's AGM. Details of Laura's skills and experience can be found on page 8. On 31st December 2024, Claire Ighodaro stepped down from the Board. The Board thanks Claire for her work over the years as Remuneration Chair. On 8th April 2025 Andrea Blance was appointed to the Board and will be standing for election at this year's AGM. Details on Andrea's skills and experience can be found on page 10. All other Directors are standing for re-election.

AGM Registration

As the meeting this year will be held at our head office, we encourage all shareholders to kindly register your intention to attend. Please contact companysecretarial@pennon-group.co.uk, in advance by Tuesday 22nd July.

Voting at the AGM

In line with best practice, we continue to encourage the use of electronic proxy voting. 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.

If you wish to vote by post, you will find a proxy form enclosed with this document. Please submit your completed proxy appointment and voting instruction forms as soon as possible, but no later than 10am on 22nd July 2025 for ordinary shareholders, to the Company's Registrar, MUFG Corporate Markets, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

If you attend the AGM in person, you will be provided with a poll card on the day.

WaterShare+ participants are reminded that the deadline for giving their voting instructions to the registered shareholder, MUFG Corporate Markets Trustees (Nominees) Limited, is 10am on 21st July 2025. You will need to give your voting instructions via Signal Shares (www.signalshares.com). Your views are very important to us and we encourage you to give your voting instructions.

Any WaterShare+ participants who would like to attend the AGM must make a request to obtain a letter of representation to MUFG Corporate Markets Trustees (Nominees) Limited by 10am on 21st July 2025, so that the required paperwork can be processed. We will be unable to permit entry to the meeting to any WaterShare+ participants who have not made appropriate arrangements or have the appropriate paperwork.

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

Shareholder Questions

The AGM is an opportunity to ask your Board questions relating to the business of the meeting. If you would like to ask a question to the Board on the business of the AGM, we invite you to pre-submit them by 10am on 22nd July 2025 to our Company Secretarial team by email at companysecretarial@pennon-group.co.uk. Questions will be answered during the meeting where possible. There will be plenty of time for shareholders to ask questions.

Recommendation

The Board considers that all resolutions to be proposed at the AGM are in the best interests of and promote the success of the Company and our shareholders as a whole, and accordingly unanimously recommends that you vote in favour of the resolutions, as your Directors 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 secure, but also quicker, more cost effective and reflects the Company's sustainability objectives since less resources and energy are used compared with traditional printing and distribution needs.

If you 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 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.



David Sproul
Group Chair

3rd June 2025

Notice of Annual General Meeting 2025

Notice is hereby given that the 2025 Annual General Meeting of Pennon Group plc will be held at Peninsula House, Rydon Lane, Exeter, EX2 7HR on Thursday 24th July 2025 at 10am.

Resolutions

The Resolutions numbered 1 to 16 inclusive are proposed as Ordinary Resolutions, which must each receive more than 50% of the votes cast in order to be passed.

Resolutions 17 to 22 inclusive are proposed as Special Resolutions, which must receive at least 75% of the votes cast in order to be passed.

Ordinary resolutions

Resolution 1 – Annual Report and Accounts

That the Annual Report and Accounts for the year ended 31st March 2025 be received and adopted.

Resolution 2 – Dividend

That a final dividend of 31.57p per ordinary share, as recommended by the Directors for the financial year ended 31st March 2025, be declared for payment on 4th September 2025 to ordinary shareholders whose names appear on the register of members as at the close of business on 25th July 2025.

Resolution 3 – Director's Remuneration Report

That the Directors' Remuneration Report for the financial year ended 31st March 2025, as contained in the Company's Annual Report and Accounts 2025 (excluding the Directors' Remuneration Policy set out on page 167 of the Annual Report and Accounts 2025) be approved.

Election of Directors

Resolution 4 – Election of Andrea Blance

To elect Andrea Blance as a Director.

Read biography on page 10

Resolution 5 – Election of Laura Flowerdew

To elect Laura Flowerdew as a Director.

Read biography on page 8

Re-election of Directors

Resolution 6 – David Sproul

To re-elect David Sproul as a Director.

Read biography on page 8

Resolution 7 – Susan Davy

To re-elect Susan Davy as a Director.

Read biography on page 8

Resolution 8 – Iain Evans

To re-elect Iain Evans as a Director.

Read biography on page 9

Resolution 9 – Jon Butterworth

To re-elect Jon Butterworth as a Director.

Read biography on page 9

Resolution 10 – Loraine Woodhouse

To re-elect Loraine Woodhouse as a Director.

Read biography on page 9

Resolution 11 – Dorothy Burwell

To re-elect Dorothy Burwell as a Director.

Read biography on page 10

Resolution 12 – Reappointment of Auditor

That PricewaterhouseCoopers LLP be reappointed as Auditor of the Company to hold office until the conclusion of the next AGM at which accounts are laid before the Company.

Resolution 13 – Auditor's remuneration

That the Audit Committee be authorised to determine the remuneration of the Auditor, for and on behalf of the Board.

Resolution 14 – Political donations

That in accordance with Section 366 of the Companies Act 2006 (the Act), 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:

- make political donations to political parties and/or independent election candidates not exceeding £75,000 in total;
- make political donations to political organisations other than political parties not exceeding £75,000 in total; and
- 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 2026, or if earlier to the close of business on 1st October 2026, provided that the aggregate amount of any such donations and expenditure shall not exceed £75,000 in total 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 Act.

Resolution 15 – Authority to allot shares

That:

- the Directors be generally and unconditionally authorised, in accordance with Section 551 of the Act, 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:
 - up to a maximum nominal amount of £96,036,631 (such amount to be reduced by the nominal amount of any equity securities (as defined in Section 560 of the Act) allotted under paragraph (ii) below in excess of £96,036,631); and
 - comprising equity securities (as defined in Section 560 of the Act) up to a maximum nominal amount of £192,102,076 (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 pre-emptive offer:
 - 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 impose such exclusions, limits or other restrictions and make any other arrangements as they consider expedient, necessary or appropriate in relation to treasury shares, fractional entitlements, record dates, shares represented by depository receipts, legal, regulatory or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter,

provided that:

- 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 1st October 2026;
- 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 Act shall cease to have effect (save to the extent that the same are exercisable pursuant to Section 551(7) of the Act 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).

Resolution 16 – Climate-related financial disclosures

To consider and approve the Company's climate-related financial disclosures as set out on pages 94-125 of the Annual Report and Accounts 2025.

Special resolutions

Resolution 17 – General authority to disapply pre-emption rights

That:

- a. the Directors be given power, subject to the passing of Resolution 15 above, to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred on them by that resolution under Section 551 of that Act and/or 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 the Act did not apply to the allotment or sale, but so that this power shall be limited:

- A. to the allotment of equity securities in connection with an offer, invitation to apply for, or issue of equity securities (but in the case of the authority granted under Resolution 15(a) (ii), by way of a pre-emptive offer 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;

and so that the Directors may impose such exclusions, limits or restrictions and make any other arrangements as they consider expedient, necessary or appropriate in relation to treasury shares, fractional entitlements, record dates, shares represented by depository receipts, any legal, regulatory 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. to the allotment of equity securities pursuant to the authority granted under Resolution 15(a)(i) and/or by virtue of Section 560(3) of the Act (in each case otherwise than under paragraph (A) above) up to a maximum nominal amount of £28,813,870; and

- C. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) or paragraph (B) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (B) above, such power to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

provided that:

- b. this power shall apply until the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, until the close of business on 1st October 2026; and
- c. the Company may, before this power ends, make an offer or enter into an agreement, which would or might require equity securities to be allotted after the power ends, and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not ended.

Resolution 18 – Authority to disapply pre-emption rights in connection with an acquisition or specified capital investment

That:

- a. the Directors, in addition to any power granted under Resolution 17 above, be given power, subject to the passing of Resolution 15, to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred on them by Resolution 15(a)(i) under Section 551 of the Act; and/or 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 so that this power shall be:

- A. limited to the allotment of equity securities up to a maximum nominal amount of £28,813,870; and used only for the purposes of financing a transaction which the Directors determine to be either an acquisition or a specified 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 12 months of its taking place; and
- B. limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (A) above, such power to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

provided that:

- b. this power shall apply until the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1st October 2026; and
- c. the Company may, before this power ends, make an offer or enter into an agreement, which would or might require equity securities to be allotted after the power ends, and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not ended.

Resolution 19 – Authority to purchase own shares

That in accordance with the Act, the Company is generally and unconditionally authorised for the purposes of Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of any of its 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 47,197,167;
- 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 5% above the average market value of an ordinary share for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
 - ii. 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 to be carried out, including when the shares are traded on different trading venues; and
- 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 1st October 2026, but the Company may enter into 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 the Company may make purchases of ordinary shares pursuant to any such contract as if this authority had not expired.

Resolution 20 – Notice of General Meetings

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

Resolution 21 – Amendment to the Company's Articles of Association relating to WaterShare+ offers

Resolution 21: That the Articles of Association of the Company be and are hereby amended as follows:

1. by the insertion of the following as a new Article 5A(1)(a)(iii):
 - iii. one or more dividends of up to such individual or aggregate amount(s) as the Company may pay pursuant to an available exemption under the prospectus requirements applicable to offers of shares as at the time of any such offer (as at 24th July 2025 the sterling equivalent of €8m) equivalent of, is made and otherwise of up to such amount(s) as can be declared and paid in accordance with applicable law with the amount of each such dividend to be determined and resolved by the board in its discretion, in priority to any payment to the holders of ordinary shares in the capital of the Company and in priority to or pari passu with the holders of any other class of preference shares in the capital of the Company (if any), for the sole purposes of: (i) one or more offers by the Company relating to, in connection with, to participants of, or as an extension of, the Company's WaterShare+ scheme (as described on page 15 of the Company's annual report and accounts for the financial year ended 31 March 2025) (a "**Future WaterShare+ Share Offer**"), (ii) the "Third WaterShare+ Share Offer" (as described in the Company's notice of meeting for its 2025 Annual General Meeting dated 26 June 2025) (the "**Third WaterShare+ Share Offer**"), and/or (iii) the "Extra Offer" (as described in the Company's notice of meeting for its 2025 Annual General Meeting dated 26 June 2025) (the "**Extra Offer**") in order for:

- A. the holder of the WaterShare+ Share (or its Affiliates) to acquire existing ordinary shares in the capital of the Company at market value through the London Stock Exchange to satisfy elections pursuant to any Future WaterShare+ Share Offer, the Third WaterShare+ Share Offer and/or the Extra Offer;
- B. the holder of the WaterShare+ Share (or its Affiliates) to hold such acquired existing ordinary shares (or procuring that such ordinary shares are held by its Affiliates) as nominee on behalf of: (i) those eligible customers, being customers of any water and sewerage undertaker and/or water only undertaker which is a subsidiary of the Company and which is included in any Future WaterShare+ Share Offer and/or the Third WaterShare+ Share Offer, who elect to receive ordinary shares in the capital of the Company pursuant to any Future WaterShare+ Share Offer and/or the Third WaterShare+ Share Offer, and/or (ii) those eligible participants, being current participants in the Company's WaterShare+ scheme, who elect to receive one new ordinary share in the capital of the Company pursuant to the Extra Offer; and
- C. covering the costs of the holder of the WaterShare+ Share and its Affiliates in acquiring the ordinary shares to satisfy elections pursuant to any Future WaterShare+ Share Offer, the Third WaterShare+ Share Offer and/or the Extra Offer;"

2. by renumbering existing Article 5A(1)(a)(iii) as Article 5A(1)(a)(iv) and amending it as follows:

- A. deleting the following words "the Second WaterShare+ Share Offer and"
- B. after "to eligible customers" inserting the words "and any and all current participants in the Company's WaterShare+ scheme"

3. by renumbering existing Article 5A(1)(a)(iv) as Article 5A(1)(a)(v).

Resolution 22 – Amendment to the Company's Articles of Association relating to the format of general meetings

Resolution 22: That the Articles of Association of the Company be and are hereby amended as follows:

1. in Article 2(a)(i):
 - a. by replacing the current definition of "a combined physical and electronic general meeting" in its entirety with the following: "a combined physical and electronic general meeting means a general meeting held or conducted at one or more physical venues and by use of an electronic facility in such a way that allows persons who may not be physically present together to communicate with each other any information or opinions they may have on any particular item of business of the meeting;"
 - b. by including the following definition immediately after the definition of "electronic address": "electronic facility includes (without limitation) video conferencing, virtual platforms, website addresses and/or conference call systems and any device, system, procedure, method or other facility providing an electronic means of attendance at or participation in (or both attendance and participation in) a general meeting;"
 - c. by replacing the current definition of "a physical general meeting" in its entirety with the following: "a physical general meeting means a general meeting held or conducted at one or more physical venues (at which facilities are not available to allow for persons who are not at such physical venue to attend or participate in the meeting electronically by use of an electronic facility);"
 - d. by including the following definition immediately after the definition of "secretary": "a solely electronic general meeting means a general meeting held or conducted solely by use of an electronic facility;"

2. by replacing current Article 2(a)(x) in its entirety with the following:

any reference to a person who is attending or participating in a meeting electronically is a reference to a person whose attendance or participation at that meeting is enabled by an electronic facility or facilities, other than physical presence at a general meeting, which allows persons who may not be physically present together to communicate with each other any information or opinions they may have on any particular item of business of the meeting; electronic attendance and participation shall be construed accordingly.”

3. by replacing current Article 24 in its entirety with the following:

“24. General meetings

- a. The board shall determine whether any general meeting is to be held as:
 - i. a physical general meeting;
 - ii. a combined physical and electronic general meeting; or
 - iii. a solely electronic general meeting.
 - b. The board may make whatever arrangements it considers fit, including in relation to any electronic facilities to be used at a combined physical and electronic general meeting or at a solely electronic general meeting, to allow those entitled to do so to participate in any general meeting.
 - c. Unless otherwise specified in the notice of meeting; decided by the board in accordance with article 24 or article 25; or determined by the chair of the meeting, a general meeting is deemed to take place at the place where the chair of the meeting is at the time of the meeting.
 - d. Two or more persons who may not be in the same place as each other or are attending by means of an electronic facility attend and participate in a general meeting if their circumstances are such that, if they have rights to speak and vote at that meeting, they are able to exercise them.
 - e. A person is present at a general meeting if the person attends it in accordance with the provisions of these articles.
 - f. A person is able to participate in a meeting if the person's circumstances are such that if the person has rights in relation to the meeting, the person is able to exercise them.
 - g. In determining whether persons are attending or participating in a meeting, other than a physical general meeting, it is immaterial where any of them are or how they are able to communicate with each other.
 - h. A person is able to exercise the right to speak at a general meeting when the chair of the meeting is satisfied that arrangements are in place so as to enable that person to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting, including by use of an electronic facility.
 - i. A person is able to exercise the right to vote at a general meeting when:
 - i. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - ii. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
 - iii. Where shareholders can participate at a general meeting by use of an electronic facility, any document required to be on display or available for inspection will be made available for the required period in electronic form to those persons entitled to inspect it and this will satisfy any such requirement.”
4. by including the following as a new Article 25(d):
- d. If it appears to the chair of the meeting that any electronic facilities available at any combined physical and electronic general meeting have become inadequate for the purposes of article 25(b), then the chair of the meeting may, without the consent of the meeting, interrupt or adjourn the combined physical and electronic general meeting. All business conducted at that general meeting up to the time of that adjournment shall be valid and the provisions of article 37 shall apply.”

5. by including the following as a new Article 26:

“26. Solely electronic general meetings

- a. Where the board has determined that any general meeting is to be held as a solely electronic general meeting, shareholders present in person or by proxy at such general meeting by means of the relevant electronic facility/ies will be counted in the quorum for, and entitled to vote at, such general meeting, and that meeting shall be duly constituted and its proceedings valid if (in addition to the other provisions of these articles relating to general meetings being satisfied) the chair of the meeting is satisfied that electronic facilities are available to enable each shareholder attending the solely electronic general meeting to participate in the business for which the meeting has been called.
- b. If it appears to the chair of the meeting that the electronic facilities available at the solely electronic general meeting have become inadequate for the purposes of article 26(a), then the chair of the meeting may, without the consent of the meeting, interrupt or adjourn the solely electronic general meeting. All business conducted at that general meeting up to the time of that adjournment shall be valid and the provisions of article 37 shall apply.”

6. by renumbering the current Articles 26 to 132 (inclusive) to take account of the new Article 26

7. by replacing current Article 29 in its entirety with the following:

“30. Length, form and content of notice

- a. Subject to the Statutes, an annual general meeting shall be called by not less than 21 clear days' notice and all other general meetings shall be called by not less than 14 clear days' notice or by not less than such minimum notice period as is permitted by the Statutes.
- b. The notice (including any notice given by means of a website) shall comply with all applicable requirements in the Statutes and shall specify whether the meeting will be an annual general meeting. It shall also specify whether the meeting will be a physical general meeting, a combined physical and electronic general meeting or a solely electronic general meeting.
- c. Notice of every general meeting shall be given to all members other than any who, under these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each director.
- d. Without prejudice to the provisions of article 30(a), if it is anticipated that a meeting will be conducted as a combined physical and electronic general meeting or a solely electronic general meeting, the notice of meeting shall state how it is proposed that persons attending or participating in the meeting electronically should communicate with the meeting and what electronic facility is being provided.”

8. by replacing the word “electronically” with “by means of an electronic facility” in current Article 33(c)

9. by including the wording “or as a solely electronic general meeting” immediately after “physical and electronic general meeting” in current Article 37(b)

By order of the Board



Andrew Garard
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

3rd June 2025

The Pennon Board of Directors

Working responsibly together

Committee key for board:

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Audit Committee

E

ESG Committee

H

Health & Safety Committee

N

Nomination Committee

R

Remuneration Committee

C

Committee Chair



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N

R

David Sproul
Group Chair

Date of Appointment to the Board: David was appointed to the Board on 1st July 2024 and became Group Chair on 24th July 2024.

Current external appointments: Chair of Starling Bank Limited and non-executive director on Safanad Limited. David is also a senior adviser to Bridgepoint Europe, and he sits on the Board of Governors as chair designate of University of Hertfordshire.

Skills and experience: David is a Chartered Accountant who has spent the majority of his career in professional services with Deloitte and prior to that Andersen serving a diverse range of UK and international clients.

He concluded his executive career at Deloitte in summer 2021 as Global Deputy CEO having previously been elected for two terms as Senior partner and Chief Executive of Deloitte UK and Northwest Europe from 2011 to 2019. During his leadership the firm became the largest and most profitable professional services firm globally and, in the UK, driven in part by significant investments in technology services, as well as differentiating itself as the audit quality leader with a strong inclusive culture.



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Susan Davy
Group Chief Executive Officer

Date of Appointment to the Board: Susan was appointed to the Board as Group Chief Executive Officer on 31st July 2020, having previously served as Chief Financial Officer since 2015.

Current external appointments: Senior Independent Non-Executive Director and Audit Chair of Restore Plc, President and Director of the Institute of Water, Director of Water UK, Director of CREWW (Centre of Resilience in Environment) member and was previously a member of the A4S (Accounting for Sustainability) CFO leadership network.

Skills and experience: Susan brings extensive industry knowledge, backed by strong financial and regulatory expertise, which has been key to shaping and delivering Pennon's strategy. This includes value-enhancing acquisitions such as Bournemouth Water, Bristol Water, Sutton and East Surrey Water, along with the successful disposal of Viridor. With over 27 years of experience in the listed utilities sector, Susan has held several senior positions in the water industry, including at Kelda Group plc. Her experience with FTSE-listed companies, combined with deep operational and financial knowledge, adds valuable diversity to Pennon's leadership.



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Laura Flowerdew
Group Chief Financial Officer

Date of Appointment to the Board: Laura was appointed Group Chief Financial Officer of Pennon Group 11th July 2024.

Current external appointments: None.

Skills and experience: Laura was appointed Chief Financial Officer of Pennon Group in July 2024. Laura held previous positions as Chief Customer and Digital Officer of Pennon Group and Chief Financial Officer of Bristol Water plc from October 2018. Laura previously worked in a number of executive positions in UK utilities and international natural resources business including Anglo American plc, De Beers and Bristol Energy. Prior to that she worked with Deloitte and trained with Arthur Andersen. She is a Fellow of the Institute of Chartered Accountants for England and Wales.



Iain Evans CBE
Senior Independent Director

Date of Appointment to the Board: Iain was appointed to the Board as Independent Non-Executive Director on 1st September 2018 and became Senior Independent Director on 1st September 2023.

Current external appointments: Iain is a non-executive director of Bologna Topco Limited and HSM Advisory Limited and continues to act as an independent corporate strategy consultant.

Skills and experience: Iain has 40 years of 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 and 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.



Jon Butterworth
Independent Non-Executive Director

Date of Appointment to the Board: Jon was appointed to the Board as Independent Non-Executive Director on 8th July 2020.

Current external appointments: Chief executive officer at National Gas, president of the Pipeline Industries Guild and a director of E.Tapp & Co Limited, Shopfittings Manchester Limited and TMA Property Limited.

Skills and experience: Jon has a distinguished track record and an immense depth of experience and knowledge within the utility sector, having begun his career over 40 years ago as an apprentice at British Gas. Jon was previously managing director of National Grid Ventures, driving growth across a range of commercial ventures outside the regulated energy sector in the UK and the US. He has also been managing director of Northwest Gas, global Environment and Sustainability manager of Transco, National Operations director of National Grid, Group Safety, Resilience and Environmental director of National Grid plc and formerly chief executive officer of National Grid Ventures. Jon is an ex-chair of the CORGI board, an ex-ambassador of the HM Young Offenders Programme and trustee of the National Gas Museum Trust.



Loraine Woodhouse
Independent Non-Executive Director

Date of Appointment to the Board: Loraine was appointed to the Board as Independent Non-Executive Director on 1st December 2022.

Current external appointments: Senior Independent Director and Chair of the Audit Committee for the British Land Company plc, non-executive director for Associated British Foods plc and a Trustee and Audit Committee member at the Zoological Society London.

Skills and experience: Loraine is an experienced finance executive, with her experience focused in the retail and consumer sector, and more recently in real estate and infrastructure through her roles with Intu Properties plc and British Land Company plc.

Loraine was the chief financial officer of Halfords Group plc until June 2022, before which she spent five years in executive and senior finance roles within the John Lewis Partnership, including Waitrose. Prior to that, Loraine was chief financial officer of Hobbs, finance director of Capital Shopping Centres Limited (subsequently Intu Properties plc) and finance director of Costa Coffee Limited.



Andrea Blance
Independent Non-Executive Director

Date of Appointment to the Board: Andrea was appointed to the Board as Independent Non-Executive Director on 8th April 2025.

Current external appointments: Non-Executive Director and Chair of the Board Risk Committee of Aviva plc and Advisory Board Member of The Mentoring Foundation.

Skills and experience: Andrea brings extensive risk and regulation expertise and is passionate about developing customer focused commercial strategies, following a long career in Financial Services. Andrea spent her executive career at Legal & General Group plc where she held a range of senior leadership roles including Group Chief Risk Officer and Strategy & Marketing Director. More recently, Andrea has been Risk Committee Chair at Hargreaves Lansdown plc, Senior Independent Director and Remuneration Committee Chair of Vanquis Banking Group plc, Senior Independent Director and Audit Committee Chair of ReAssure plc, and Risk Committee Chair of Scottish Widows plc and Lloyds Banking Group Insurance.



Dorothy Burwell
Independent Non-Executive Director

Date of Appointment to the Board: Dorothy was appointed to the Board as Independent Non-Executive Director on 1st December 2022.

Current external appointments: Partner at FGS Global and non-executive director at Post Holdings Inc.

Skills and experience: Dorothy has over 20 years' experience in banking and communications, specialising in natural resources and advising clients around issues of sustainability, strategy, and corporate communications. She is well known for driving substantive diversity and inclusion agendas. Between 2002 and 2006, Dorothy held analyst and senior roles at Goldman Sachs, in the investment banking division, in both London and New York, as well as in the firmwide Strategy Group, where she focused on proprietary mergers and acquisitions and new business development. Dorothy graduated from the Florida Agricultural and Mechanical University, USA with a Bachelor and Master of Business Administration, Finance and Management.



Andrew Garard
Group General Counsel and Company Secretary

Date of Appointment to the Board: Andrew was appointed to the Board as Group General Counsel and Company Secretary on 1st December 2022.

Current external appointments: Non-executive director at Zinc Media Group plc, where he is chair of the Remuneration Committee, co-founder and Chair of the Board of Trustees of the Social Mobility Business Partnership.

Skills and experience: Andrew is a very experienced General Counsel having joined from Meggitt plc, where he was Group General Counsel and Director of Corporate Affairs, and a member of the group executive responsible for legal, commercial, trade compliance, government relations, ethics and contract management. Previously, he was Group General Counsel and Company Secretary at ITV plc where he was a member of the executive board and led a global team responsible for legal and business affairs, secretariat, compliance, insurance, health & safety, rights management and corporate responsibility. Prior to this, he was Group General Counsel and Company Secretary at Cable & Wireless plc and Global Head of Legal at Reuters Group plc.

Explanatory notes

Resolution 1 – Annual Report and Accounts

Resolution 1 proposes that shareholders receive and adopt the Company's Annual Report and Accounts 2025 (the Annual Report). The Annual Report, which includes the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the audited Financial Statements and the Independent Auditor's Report, is available on the Company's website at www.pennon-group.co.uk/investor-information/financial-reports-and-presentations. 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. We note that the Ofwat rules, regarding executive remuneration, have been issued, with the assessment that we can pay the remuneration. Our Remuneration Committee will consider the position in due course.

Resolution 2 – Dividend

Resolution 2 proposes that shareholders approve the declaration of a final dividend. If approved, a final dividend of 31.57p per ordinary share will become payable on 4th September 2025 to ordinary shareholders on the register of members at close of business on 25th July 2025. Dividends will not be paid to any sanctioned person or to any person who cannot confirm that they have not been sanctioned if requested to do so.

Resolution 3 – Directors' Remuneration Report

Resolution 3 proposes that the Directors' Remuneration Report for the financial year ended 31st March 2025, as contained in the Company's Annual Report (excluding the Directors' Remuneration Policy set out on page 167) be approved. The vote on Resolution 3 is advisory only and the Directors' entitlement to remuneration is not conditional on this resolution being passed.

Resolutions 4 – 5 – Election of Directors

In accordance with the UK Corporate Governance Code, each new Director will stand for election at the AGM.

Details of the skills and experience of each Director can be found on pages 8-10 of this document. Information regarding their remuneration is set out in the Annual Report.

The Board supports the election of the new Directors, as it believes that the knowledge and experience of each Director ensure that the Board has an appropriate balance of skills and experience for the requirements of the Company's business. It is the Board's view that the Directors' biographies on pages 8-10 illustrate the diverse nature of the Board and why each Director's contribution is important to the Company's long-term sustainable success.

Resolutions 6 – 11 – Re-election of Directors

In accordance with the UK Corporate Governance Code, each Director will stand for re-election at the AGM, other than the new Directors.

Details of the skills and experience of each Director can be found on pages 8-10. 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 knowledge and experience of each Director assist in ensuring that the Board has an appropriate balance of skills and experience for the requirements of the Company's business. It is the Board's view that the Directors' biographies on pages 8-10 of this document illustrate the diverse nature of the Board and 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 2025, concluded that each Director performed effectively and demonstrated commitment to their 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 demonstrate independence of character and judgement in the performance of their roles. Further information on Board composition, independence and experience can be found on page 145 of the Annual Report. Information on our succession planning is on page 145 of the Annual Report.

Resolution 12 – Reappointment of Auditor

The Company is required by law to appoint an auditor annually.

Resolution 12 proposes the reappointment of PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the conclusion of the next AGM at which the accounts are laid before the Company, as recommended by the Audit Committee.

Resolution 13 – Auditor's remuneration

Resolution 13 proposes that the Audit Committee (for and on behalf of the Board) be authorised to determine the level of the Auditor's remuneration.

Resolution 14 – Political donations

Whilst Resolution 14 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 Act 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 Act when carrying out activities in the furtherance of their legitimate business interests.

Resolution 15 – Authority to allot shares

Resolution 15 requests shareholder approval by way of an ordinary resolution to renew (in compliance with published institutional guidelines) until 1st October 2026 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 Act. 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 existing issued share capital or up to two-thirds of existing issued share capital where such authority is to be applied to a pre-emptive offer, including a rights issue or open offer.

Paragraph (a)(i) of Resolution 15 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £96,036,631 representing approximately one-third of the Company's existing issued share capital (excluding shares held in treasury) and calculated as at 23rd May 2025 (being the latest practicable date prior to publication of this Notice).

Resolution 16 – Climate-related financial disclosures

Resolution 16 is a non-binding advisory vote to consider and approve the Company's climate-related financial disclosures. The disclosures represent the Company's response to the recommendations of the TCFD and set out the Company's climate strategy to reduce emissions within its operations and through its supply chain in order to get to Net Zero by 2030.

Resolution 17 – General authority to disapply pre-emption rights

Resolution 17 requests shareholder approval by way of a special resolution to renew until 1st October 2026 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 (as would otherwise be required by Section 561 of the Act). 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 (which includes the sale on a non-pre-emptive basis for cash of any shares the Company may hold in treasury) up to a maximum nominal amount of £28,813,870, which represents 10% of the issued share capital of the Company (excluding shares held in treasury) calculated as at 23rd May 2025 (being the latest practicable date prior to publication of this Notice), plus up to a further 2% of the issued share capital of the Company (excluding shares held in treasury) to be used only for the purposes of making a follow-on offer of the kind contemplated by paragraph 3 of Section 2B of the Pre-Emption Group's Statement of Principles.

This reflects the Pre-Emption Group's Statement of Principles as updated in November 2022 (the "Statement of Principles"), which supports companies seeking authority to issue non-pre-emptively for cash equity securities representing:

- i. no more than 10% of issued ordinary share capital (excluding treasury shares) in any one year, whether or not in connection with an acquisition or specified capital investment (with a further authority of no more than 2% to be used only for the purposes of making a follow-on offer of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles); and
- ii. no more than an additional 10% of issued ordinary share capital (excluding treasury shares) provided that it is intended to be used only in connection with the financing (or refinancing, if the authority is to be used within 12 months after the original transaction) of an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding 12-month period and is disclosed in the announcement of the issue (with a further authority for no more than 2% to be used only for the purposes of making a follow-on offer of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles).

Resolutions 17 and 18 apply the increased limits of 10% (plus up to a further 2% in respect of each limit, in each case to be used only for the purposes of making a follow-on offer) as set out in the Statement of Principles.

The Directors have no present intention to exercise the powers sought by Resolution 17 or 18. If the powers sought by Resolution 17 or Resolution 18 are used in relation to a non-pre-emptive offer, the Directors confirm their intention to follow the shareholder protections in paragraph 1 of Part 2B of the Statement of Principles and, where relevant, follow the expected features of a follow-on offer as set out in paragraph 3 of Part 2B of the Statement of Principles.

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

Resolution 18 – Authority to disapply pre-emption rights in connection with an acquisition or specified capital investment

Resolution 18 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.

Resolution 18 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 Statement of Principles and will expire on 1st October 2026 or at the conclusion of the next AGM of the Company, whichever is 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 £28,813,870, which represents 10% of the issued share capital of the Company (excluding shares held in treasury) calculated as at 23rd May 2025 (being the latest practicable date prior to publication of this Notice), plus up to a further 2% of the issued share capital of the Company (excluding shares held in treasury) to be used only for the purposes of making a follow-on offer of the kind contemplated by paragraph 3 of Section 2B of the Statement of Principles; and
- ii. will only be used in connection with an acquisition or other capital investment which the Directors determine to be of a kind contemplated by the Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding 12-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 17.

The maximum nominal value of equity securities which could be allotted for cash on a non-pre-emptive basis if both authorities were used would be £57,627,741, which represents an amount equal to 20% of the issued share capital (excluding shares held in treasury) of the Company calculated as at 23rd May 2025 (being the latest practicable date prior to publication of this Notice), plus up to a further 4% of issued ordinary share capital (excluding treasury shares) pursuant to follow-on offers of the kind contemplated by paragraph 3 of Section 2B of the Statement of Principles.

Resolution 19 – Authority to purchase own shares

Resolution 19 requests shareholder approval by way of a special resolution to renew the Company's authority to purchase up to 47,197,167 shares (representing approximately 10% of its ordinary shares in issue (excluding treasury shares)) as at 23rd May 2025 (being the latest practicable date prior to publication of this Notice). The resolution specifies the minimum and maximum prices at which a share may be purchased pursuant to the authority. The minimum price per share would be the nominal value of that share. The maximum price per share would be the higher of (i) an amount equal to 5% above the market value of an ordinary share for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and (ii) 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 to be carried out (including where shares are traded on different venues).

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.

Resolution 19 should not be taken as an indication that the Company intends to purchase ordinary shares at any particular price or indeed at all. The Directors have no present intention of exercising the authority to make market purchases. However, the authority provides the flexibility to allow them to do so in future. 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.

Any shares acquired by way of market purchase pursuant to this authority may be cancelled or held in treasury (pursuant to the terms of the Act). The Directors would consider whether to hold shares that may be purchased pursuant to this authority as treasury shares (in addition to the existing 5,628 shares already held in treasury) 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 23rd May 2025 (being the latest practicable date prior to publication of this Notice) was 2,033,418. The proportion of the Company's issued share capital (excluding treasury shares) that they represented at that time was approximately 0.49%. The proportion of issued share capital (excluding treasury shares) that they would represent if the Company were to exercise its authority to purchase shares to the fullest extent possible pursuant to its existing authority as granted at last year's AGM and the authority being sought by Resolution 19, would be approximately 0.43%.

The authority will expire on the earlier of 1st October 2026 and the conclusion of the next AGM of the Company. The Directors intend to seek to renew this authority at the Company's next AGM.

Resolution 20 – Notice of General Meetings

Under the Act, the notice period required for all general meetings of the Company is 21 days. AGMs will always be held on at least 21 clear days' notice but shareholders can approve a shorter notice period for other general meetings, as long as this is not less than 14 clear days.

The flexibility offered by Resolution 20 will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the relevant general meeting.

Resolution 21 – Amendment to the Company's Articles of Association relating to WaterShare+ offers

Background to WaterShare+

The Company has developed its unique customer scheme, WaterShare+, in direct response to feedback from customers who said they would like to share in the Company's success alongside giving them a greater say in the Company's business.

The Company launched the WaterShare+ scheme, which allows customers to become shareholders in the Company, in 2020, with a further customer share offer pursuant to the WaterShare+ scheme launched in 2022. The WaterShare+ scheme is a pioneering arrangement, endorsed by Ofwat, that rewards the Company's customers when the business outperforms, by offering eligible customers ordinary shares in the Company or money off their water bill. To date, the Company has shared over £40 million with its customers through bill reductions or ordinary shares in the Company (2020: £20 per household and 2022: £13 per household). The Company has in issue approximately 140,000 shares held by customers via the 2020 and 2022 WaterShare+ customer share offers and c.80,000 customers are now shareholders in the Company via both WaterShare+ customer share offers. The Company is looking to increase this in the next five years. As explained further below, the Company's WaterShare+ scheme does not involve an issue of new ordinary shares to customers (and so does not involve any dilution of the Company's shareholder base), but rather involves customers becoming shareholders through the purchase of existing ordinary shares at market value through the London Stock Exchange.

The two WaterShare+ customer share offers have historically received strong support from customers and shareholders and align with the Company's philosophy of ensuring customers benefit directly.

Overview

Resolution 21, proposed as a special resolution, requests shareholder approval of the proposed amendment of Article 5A of the Articles of Association of the Company (the Current Articles) to allow the Company flexibility to implement further WaterShare+ customer share offers in the future. This would include: (i) a third WaterShare+ customer share offer which will enable the Company to extend its successful WaterShare+ scheme to enable eligible customers to share in the benefits of certain merger-specific cost efficiencies as a result of its purchase of Sutton and East Surrey Water Plc ("**SES Water**"), a subsidiary of the Company (the "**Third WaterShare+ Share Offer**"); (ii) an offer to participants in the Company's current WaterShare+ scheme who were not entitled to participate in the Company's rights issue launched on 29 January 2025 ("**Rights Issue**") due to the Rights Issue offer ratio, as explained in the Rights Issue prospectus (the "**Extra Offer**"); and (iii) future outperformance-based customer share offers pursuant to the WaterShare+ scheme (each a "**Future WaterShare+ Share Offer**"). Each of the proposed Third WaterShare+ Share Offer, the Extra Offer and the Future WaterShare+ Share Offers are described further below.

Third WaterShare+ Share Offer

Building on the success of its WaterShare+ customer share offers in 2020 and 2022, and noting the undertakings which the Company made to the UK Competition and Markets Authority in June 2024 as part of the Company's acquisition of Sumisho Osaka Gas Water UK Limited (the holding company of SES Water), the Company has committed to share 50% of merger-specific cost efficiencies with eligible customers of the Group in the coming years (and in any event by 31 March 2030). This is termed the "Third WaterShare+ Share Offer" in resolution 21.

Under the Third WaterShare+ Share Offer, eligible customers (which may include customers of South West Water, Bristol Water, Bournemouth Water, and SES Water) would be offered a choice between receiving either: (i) a future bill reduction; or (ii) existing ordinary share(s) in the Company to be acquired at market value at the time the Third WaterShare+ Share Offer is implemented.

The total aggregate value of the shares in the Company acquired under the Third WaterShare+ Share Offer will not exceed any dividend amount which the Company may pay pursuant to a then-available exemption under the prospectus requirements applicable to offers of shares or any other financial limit applicable to dividends under applicable law. Subject to further consideration by the Board, the Company does not expect to implement the Third WaterShare+ Share Offer until after completion of the Extra Offer.

Further information on the Third WaterShare+ Share Offer, including how to apply, will be published by the Company in due course.

Extra Offer

As described in the Letter from the Chair included in the prospectus published for the purpose of the Rights Issue, the Company recognised the position of the Company's shareholders who held shares through the WaterShare+ customer share offers implemented in 2020 and 2022 ("**WaterShare+ Shareholders**") and who were only entitled to fractional entitlements of new ordinary shares under the Rights Issue. Accordingly, the Company ring-fenced certain proceeds it received from the Rights Issue to use towards offering those shareholders who were therefore not entitled to subscribe for any new ordinary shares in the Company as part of the Rights Issue the opportunity to receive one existing ordinary share in recognition of their not being able to participate in the Rights Issue. This is termed the "Extra Offer" in resolution 21.

Under the Extra Offer, eligible WaterShare+ Shareholders will be offered the option to receive one existing ordinary share in the Company, to be acquired at market value at the time the Extra Offer is implemented.

The total aggregate value of the ordinary shares in the Company to be acquired under the Extra Offer is not expected to exceed the Sterling equivalent of €8 million (calculated by reference to the spot exchange rate quoted via Bloomberg on the latest practicable date before the Extra Offer is implemented) in order to benefit from an exemption under the prospectus requirements applicable to offers of shares.

Applications for shares in the Company from eligible WaterShare+ Shareholders will be considered by the Company in accordance with terms and conditions to be published in connection with the Extra Offer in due course, expected to be later in 2025.

Future WaterShare+ Share Offers

So that the Company can maintain flexibility in the future to offer and to implement further WaterShare+ customer share offers, the Company is seeking approval from its shareholders to amend its Current Articles in order to enable the Company to make any offer relating to, in connection with, to participants of, or as an extension of, the Company's WaterShare+ scheme, as approved by the Board, in the coming years. This is termed any "Future WaterShare+ Share Offer" in resolution 21.

This amendment is limited to enabling Future WaterShare+ Share Offers to eligible customers and/or participants pursuant to the Company's WaterShare+ scheme, utilising the mechanism built into the Current Articles relating to the WaterShare+ Share (as defined below), and does not give the Board authority to undertake any other share offer. The Company would only make any Future WaterShare+ Share Offer if the Board considered that to do so would be in the best interests of the Company, and of shareholders generally.

The total aggregate value of the shares in the Company acquired under any WaterShare+ Offer will not exceed any dividend amount which the Company may pay pursuant to a then-available exemption under the prospectus requirements applicable to offers of shares or any other financial limit applicable to dividends under applicable law, currently the sterling equivalent of €8m.

Any Future WaterShare+ Share Offer would be appropriately communicated by the Company as and when any decision was taken to launch such an offer.

Amendment to Article 5A of the Current Articles

To implement the offers described above, the Company must amend Article 5A to allow for the payment of one or more dividends to fund the purchase of existing ordinary shares that will be offered to customers who elect to receive shares in the Company under the offers described above.

In 2020, the Company issued a single non-cumulative redeemable preference share of 1p in the Company (the "**WaterShare+ Share**") to facilitate implementation of the first WaterShare+ customer share offer in 2020. Article 5A of the Current Articles sets out the rights and restrictions attached to the WaterShare+ Share. The WaterShare+ Share is held by MUFG Corporate Markets (UK) Limited (formerly Link Market Services Limited) on trust for MUFG Corporate Markets Trustees (UK) Limited (formerly Link Market Services Trustees Limited), each an entity within MUFG Group, the Company's registrar. MUFG Corporate Markets operates the WaterShare+ share scheme for the Company.

Resolution 21 requests shareholder approval by way of a special resolution to amend Article 5A of the Current Articles to attach new rights to the WaterShare+ Share pursuant to which the Company may pay one or more dividends to the holder of the WaterShare+ Share to facilitate implementation of any Future WaterShare+ Offer, the Third WaterShare+ Share Offer and/or the Extra Offer (the “**Offer Dividends**”). The maximum amount of each of the Offer Dividends would be limited to the individual or aggregate amount(s) which the Company may pay pursuant to a then-available exemption under the prospectus requirements applicable to offers of shares or any other financial limit applicable to dividends under applicable law. In respect of the Extra Offer, the maximum aggregate amount of the relevant Offer Dividend is not expected to exceed the Sterling equivalent of €8 million (calculated by reference to the spot exchange rate quoted via Bloomberg on the latest practicable date before the Extra Offer is implemented) in order to benefit from an exemption under the prospectus requirements applicable to offers of shares.

The final amount of each of the Offer Dividends will be determined by the Board of the Company, up to any such applicable limit.

In addition, the WaterShare+ Share carries a right to an additional annual dividend for the purposes of covering the ongoing costs of operating the WaterShare+ scheme, including dealing costs and the costs of the ongoing services to be provided by the operator of the WaterShare+ scheme and the nominee shareholder which holds the ordinary shares in the Company on behalf of the participants in the WaterShare+ scheme.

The only ordinary shares in the Company available to eligible customers under any Future WaterShare+ Offer, the Third WaterShare+ Share Offer and/or the Extra Offer would be existing ordinary shares in the Company that have previously been admitted to trading. No new ordinary shares in the Company would be issued in connection with any Future WaterShare+ Offer, the Third WaterShare+ Share Offer and/or the Extra Offer.

Resolution 21 is separate from resolution 22 and the amendments proposed pursuant to each resolution are not conditional upon each other. Therefore, the amendments to the Current Articles envisaged by each resolution are proposed individually to shareholders for consideration and, if thought fit, approval. Should either resolution 21 or resolution 22 not be approved by shareholders, the changes to the Current Articles envisaged by the relevant resolution not approved by shareholders will not come into effect.

The proposed changes to the Current Articles showing the changes proposed by resolution 21 will be available, for physical inspection 15 minutes before the AGM commences, and will be available on the NSM. The proposed changes to the Current Articles showing the changes proposed by resolution 22 will also be available for physical inspection 15 minutes before the AGM commences, as further described in the explanatory notes to resolution 22.

Written consent of the holder of WaterShare+ Share to vary the class rights attached to the WaterShare+ Share

The proposed amendment of Article 5A of the Articles of Association of the Company involves the variation of the class rights attached to the WaterShare+ Share. Under Article 14(a) of the Company's articles of association (and also under section 630 of the Companies Act 2006), the Company must obtain consent in writing from the holder of the WaterShare+ Share to vary the rights attached to the WaterShare+ Share. The Company has obtained such written consent from the holder of the WaterShare+ Share.

Resolution 22 – Amendment to the Company's Articles of Association relating to the format of the general meetings

Resolution 22, which will be proposed as a special resolution, seeks to amend the Current Articles to permit the Company to hold virtual-only shareholder meetings, including AGMs. The Current Articles permit the holding of hybrid meetings, where members are able to participate in the business of the meeting either by attending at a physical location or by attending (including speaking and voting) by means of an electronic facility using video conferencing or a virtual platform. The directors would like to amend the Current Articles to allow virtual-only meetings, which would be held solely online via an electronic facility, meaning shareholders and other meeting participants could only attend (and therefore only speak and vote) at the relevant meeting online (with no physical place of meeting).

These changes are being proposed to align with technological advances and because the board believes that they will facilitate greater shareholder engagement in a way that is more convenient for all parties. The board notes that, under the Companies Act 2006, it is not currently legally certain that a virtual-only shareholder meeting would comply with the statutory requirements of the Companies Act 2006. However, in anticipation of the UK Government clarifying the existing legal uncertainty around virtual-only shareholder meetings later this year pursuant to the Audit Reform and Corporate Governance Bill, the Company is seeking to take steps now to amend its Current Articles in order to enable virtual-only shareholder meetings to be held in the future, if the board considers it appropriate.

Resolution 21 is separate from resolution 22, and the amendments proposed pursuant to each resolution are not conditional upon each other. Therefore, the amendments to the Current Articles envisaged by each resolution are proposed individually to shareholders for consideration and, if thought fit, approval. Should either resolution 22 or resolution 21 not be approved by shareholders, the changes to the Current Articles envisaged by the relevant resolution not approved by shareholders will not come into effect.

The proposed changes to the Current Articles showing the changes proposed by resolution 22 will be available, for physical inspection 15 minutes before the AGM commences, and will be available on the NSM. The proposed changes to the Current Articles showing the changes proposed by resolution 21 will also be available for physical inspection 15 minutes before the AGM commences, as further described in the explanatory notes to resolution 21.

Shareholder information

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

Safety and security arrangements

Pennon takes the safety and security of everyone who wishes to attend our AGM very seriously. To ensure the safety of attendees we will be conducting bag searches at the registration desk upon arrival. We ask that anyone who wishes to attend the AGM register in advance at companysecretarial@pennon-group.co.uk and, on the day, they must bring a form of photographic ID, proof of shareholding and if necessary, a letter of representation from our registrar, MUFG Corporate Markets Limited (needed for WaterShare+ holders). Information on how to request a letter of representation can be found on page 1. Please ensure you arrive in good time to allow you to complete registration and bag checks before the meeting starts. We do not permit any behaviour that may interfere with anyone's security or safety. Attendees are asked to adhere to the agenda set out in this Notice. The appropriate forum for engagement at the meeting will be the Q&A session and there will be plenty of time for shareholders to ask questions.

The taking of photos, videos or audio recordings is not permitted. Mobile phones and electronic devices should be turned off prior to entering the meeting room. Any directions provided on the day concerning the use of such devices must be adhered to. Anyone who wishes to attend our AGM must follow our safety and security arrangements. Anyone who does not comply with our security and safety arrangements will be asked to leave. If you have any questions regarding our security arrangements, please contact: companysecretarial@pennon-group.co.uk.

Refreshments

Refreshments will be available before the meeting starts and then again once the meeting has ended.

Guests

The AGM is a private meeting of shareholders and their representatives. Guests are not entitled to attend the meeting but may be permitted entry at the absolute discretion of the Company. All attending guests must adhere to our safety and security arrangements. If you wish to bring a guest, please contact companysecretarial@pennon-group.co.uk in advance of the meeting. All permitted guests must bring photographic ID and register their attendance, at the registration desk, at the same time as the shareholder they are attending with.

Entitlement to vote

Only those shareholders registered on the register of members of the Company as at close of business on 22nd July 2025 (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), will 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 22nd July 2025 or, if this meeting is adjourned, at close of business on the day that is two days prior to the adjourned meeting, will be disregarded in determining the rights of any shareholder to vote at the AGM. In calculating the period mentioned in this paragraph, no account will 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 their 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. Appointing a proxy does not prevent a shareholder from attending and voting in person if they so wish. Please inform the Company's registrar, MUFG Corporate Markets Limited (MUFG), 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 (IVC), which can be found on recent communications such as your dividend confirmation or your share certificate. Full instructions are given on the website (www.signalshares.com). The proxy appointment and voting instructions must reach MUFG Corporate Markets 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 MUFG Corporate Markets 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.

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 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 Proxymity proxy voting service: (i) no later than 10am on 22nd July 2025; 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 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 Proxymity

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM 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.

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 & International 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, MUFG Corporate Markets Limited (ID RA10), by no later than 10am on 22nd July 2025 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 & International Limited does not make available special procedures in CREST for any 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 their 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 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.

Additional information

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by MUFG Corporate Markets. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10am on 22nd July 2025 to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion withhold from voting.

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 its powers as a member if 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 placed on the Company's website www.pennon-group.co.uk/investor-information/shareholder-services.

As at 23rd May 2025 (being the last practicable date prior to the publication of this Notice), the Company's issued share capital consists of 471,977,302 ordinary shares of 61.05p each, of which 5,628 ordinary shares are held in treasury (which represents 0.001% of the Company's issued capital (excluding treasury shares)). Therefore, the total voting rights in the Company as at 23rd May 2025 are 471,971,674.

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 1 for the arrangements we have made for shareholders to ask questions this year.

Shareholders' right to request

Shareholders have the right to request, in accordance with Section 360BA of the Act, information to enable them to determine that their vote on a poll was validly recorded and counted. Shareholders who wish to do so should contact the Company's registrar, MUFG Corporate Markets.

Documents 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. Please contact: CompanySecretarial@pennon-group.co.uk should you wish to make arrangements to inspect a document.

A copy of this Notice and other information required by Section 311A of the Act, 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 or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Data Protection

The Company may process personal data of attendees at the AGM. Personal data includes all data provided by shareholders, or on behalf of shareholders, which relates to: (1) the shareholder, including name and contact details, the votes that the shareholder casts and the shareholder's reference number; and (2) any person who is identified as a proxy by a shareholder via the form of proxy, including their name and contact details. Please note that if shareholders provide the personal data of a proxy, the Company requires the shareholder to communicate this privacy information to such proxy. The Company and any third party to which it discloses the data (including Pennon's registrar, MUFG Corporate Markets Limited, may process such data for the purposes of maintaining the Company's records, meeting management, managing corporate actions, fulfilling the Company's obligations to shareholders, fulfilling the Company's legal obligations and communicating with shareholders, all in accordance with the Company's privacy notice, which can be found at: <https://www.pennon-group.co.uk/privacy-policy>.

Key dates

Date and time	What happens
10am on Monday 21 st July 2025	Deadline for receipt of voting instructions from WaterShare+ participants to the WaterShare+ nominee
10am on Tuesday 22 nd July 2025	Deadline for receipt of proxy appointment from shareholders to our registrar, MUFG Corporate Markets Limited
Close of business on Tuesday 22 nd July 2025	Only those shareholders registered on the register of members at this time will be entitled to vote at the AGM
10am on Thursday 24 th July 2025	AGM held at Peninsula House, Rydon Lane, Exeter, EX2 7HR
Friday 25 th July 2025	Record date for entitlement to the 2025 final dividend
Thursday 4 th September 2025	Payment of the 2025 final dividend to holders of ordinary shares

Contact information

You can find information on how to manage your shareholding 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 9:00am 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@mpms.mufg.com

Post

MUFG Corporate Markets Limited
Central Square
29 Wellington Street
Leeds
LS1 4DL

You may not use any electronic address provided either in this Notice 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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Exeter
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www.pennon-group.co.uk

Registered in England & Wales

Registered Number: 2366640