

Remuneration committee report

Members

Kath Cates
Chair of the remuneration committee

- Doug Webb
- Alison Goligher



Annual statement from the remuneration committee chair

Our executive pay arrangements are aligned to our purpose, strategy and values, incentivising delivery for customers and the environment, and the creation of long-term value.

Dear shareholder

Adapting to an evolving context

The year ending 31 March 2026 was the first year of the new AMP, with the evolving context affecting the committee's decision-making. Under the AMP8 final determination, this five-year period will see us deliver our largest investment in water and wastewater infrastructure in over 100 years, more than doubling the size of our capital programmes compared to the previous AMP, and enabling us to drive significant environmental and service improvements across the North West, improving river quality and the resilience of our water supplies. We have made a strong start to our investment programme, as is set out throughout this report, with everyone at United Utilities committed to supporting a stronger, greener, healthier North West.

The proposals announced on 30 April 2026 for a further £1.4 billion, as part of Ofwat's 2026 Re-opener process, will bring even more benefits to our customers, the environment, and other stakeholders. It will enable the creation of even more jobs, enhance our infrastructure and aligns closely with the Government's mission for economic growth and decarbonisation. It is hugely exciting, and a testament to the ambition of the leadership team who only want the best for our region.

The talent and capability of our people is fundamental to the delivery of our business plan. Since her appointment in 2023, Louise Beardmore (our Chief Executive) has strengthened our executive management team (including through external hires), grown the workforce to ensure the necessary skills are in place, developed an inclusive workplace culture within which colleagues can thrive (the latest colleague survey showing a 90% engagement rate), and mobilised our supply chain in readiness for delivery. With over 1,000 projects live, the team is already building the infrastructure that will see performance improvements for years to come. Under the financial guidance of Phil Aspin (our Chief Financial Officer), we have already started raising the necessary funds to bring this

ambitious plan to life (with circa £1.4 billion of term funding raised in the first year of the AMP) and continue this performance delivery. Louise and Phil were also instrumental in securing strong support from new and existing shareholders for the £800 million equity placing on 30 April 2026, providing additional funding for the transformational investments that will deliver sustained improvements for customers and the environment, support economic growth and create jobs.

Regulation of the sector also continues to evolve. In June 2025, Ofwat published the final details of its performance-related executive pay prohibition rule ('PRP rule'), which retrospectively applied to performance-related pay to executive directors for the year ending 31 March 2025 onwards. In July 2025, the Independent Water Commission, led by Sir John Cunliffe, published a set of 88 recommendations designed to drive fundamental change across the industry and in January 2026, we saw the publication of Defra's white paper, 'A new vision for water'. In March/April 2026 Ofwat published further updates on its PRP rule and its requirements and expectations in respect of remuneration reporting for 2025/26.

As a listed company we have always provided full and comprehensive details about the remuneration arrangements and outcomes for our directors, and we remain committed to open and transparent reporting, delivering for stakeholders and following the highest standards. Our remuneration arrangements must recognise that we are competing to retain and attract talent in an extremely challenging and competitive marketplace, with other industries seeking the same key skills we need, but without the increasingly complex regulatory and political landscape we are operating within. To that end, it is vitally important that we have an effective remuneration policy in place that reflects the size and associated risks of AMP8 and enables us to motivate and retain our talented and experienced leadership team to deliver the challenging plan.

Quick facts

- The code states that the board should establish a remuneration committee of independent non-executive directors with a minimum membership of three.
- By invitation of the committee, meetings are attended by the Chair, the CEO, the company secretary, the people director, the head of reward and the external adviser to the committee.
- Our proposed remuneration policy will be put to shareholders for approval at the 2026 AGM.
- The remuneration report sets out how the previous remuneration policy was applied in 2025/26 and how we intend to apply the new remuneration policy in 2026/27.
- Certain sections of the remuneration report are audited. The unaudited sections of the remuneration report, including the annual statement from the remuneration committee chair have been subject to external assurance by the remuneration committee's independent adviser, Ellason. This appointment was a limited assurance engagement in accordance with the requirements of the International Standard on Assurance Engagements (UK) 3000. Ellason's assurance statement is available at unitedutilities.com/corporate/responsibility/our-approach/esg-performance

Quick links

- ▶ Terms of reference: unitedutilities.com/corporate-governance
- ▶ Read our overview of executive remuneration on pages 146 to 153
- ▶ Read about our review of the directors' remuneration policy on page 144 to 145 and our proposed new policy on pages 154 to 159
- ▶ Read our annual report on remuneration on pages 160 to 169



Finally, building on our commitment in recent years that performance-related pay received by executive directors would not be paid for by customers, the board has taken the decision to apply this same philosophy to all elements of pay receivable by executive directors going forward, i.e. all fixed and all performance-related pay.

Performance in the year

The business delivered strong financial and operational results during the year, providing a solid base for the accelerated investment programme. Underlying revenue increased 20% to £2,576 million, reflecting higher regulatory revenues under the PR24 final determination, with underlying operating profit up 35% to £1,060 million and underlying EPS up 42% to 107.1 pence. Capital investment increased 41% to £1.5 billion in line with expectations, with our regulatory commitments achieved on time in the year, and a CPDi score of 100%.

Operationally, 80% of key performance metrics were improved year-on-year, with the business ranked above median and 'in reward' for the regulatory customer service measures (two of which are captured in the bonus). Stretching targets were met for both internal and external sewer flooding – two of the outcomes customers value most, with internal sewer flooding down 42% and external flooding down 25%, despite last year's stormy weather. While the UK overall experienced a relatively dry year, the North West still saw above average rainfall. Despite this, spills performance improved, with total activations falling 22% and duration falling 27% versus the prior year. Performance fell short of the stretching targets the business set for itself on supply interruptions and water quality. However, the board remains confident that the investment and momentum achieved this year will continue to strengthen performance as we move through the AMP, and the committee will continue to use performance-rated pay mechanisms to drive this.

Remuneration during 2025/26

Consideration of Ofwat's PRP rule

Ofwat's PRP rule requires the payment or vesting of any variable pay to be contingent on the achievement of certain standards. Failure to meet any of the standards requires the committee to prohibit the payment of bonuses and apply a pro-rata reduction to in-flight LTP awards for executive directors. The PRP rule captures bonuses from 2024/25 onwards and LTP grants from April 2024 onwards (so the 2023 LTP award precedes the introduction of the PRP rule). The standards relate to (i) Consumer Matters, (ii) Financial Resilience, (iii) Criminal Liability and (iv) Environment. The committee is satisfied that based on all available information, United Utilities has passed each of the PRP rule standards in respect of 2025/26, so performance-related pay outcomes for the executive directors are not prohibited or subject to adjustment in relation to the PRP rule. Provisions are in place for corrective action to be taken if this assessment that the PRP rule has been passed is later found to be incorrect.

2025/26 annual bonus

As in previous years, a consistent bonus scorecard applied throughout the business in 2025/26, to ensure a shared focus on stretching delivery for customers and the environment. Strong performance during the year gave rise to a provisional bonus outcome of 76.6% of maximum, with the stretching targets achieved in seven out of the 13 measures in the scorecard. Further detail on the bonus scorecard, why the measures were chosen and how the committee ensures the performance range is stretching is set out on pages 150 to 151.

Application of the PRP rule in 2024/25 and impact on prior year bonuses

- In the 2025 integrated annual report, we disclosed provisional bonus outcomes of 44.8% of maximum for the executive directors based on performance for the 2024/25 financial year. The outcome remained subject to confirmation of the outcome under the serious pollution measure and application of Ofwat's new PRP rule, the final details of which had not been published when the integrated annual report was signed off.
- The PRP rule was published on 6 June 2025, so the committee reviewed its application in respect of the two executive directors. In the final version of the rule the Environment standard was expanded compared to the previous version of the rule that had been consulted upon with stakeholders, with the rule being triggered if a company has one (or more) category 1 pollution incidents during the year.
- While United Utilities did not experience a category 1 pollution incident in the year, regrettably, fish were harmed during the routine operation of a mandatory health and safety inspection at one of our water reservoirs in December 2024. The Environment Agency (EA) confirmed that, irrespective of the cause, this incident would be classified as a category 1 fisheries mortality incident, and that while it was not a pollution incident, it would nevertheless be reported within the 'serious pollution incidents' category of its Environmental Performance Assessment (EPA) report.
- Consequently, the committee concluded that this was a breach of Ofwat's new PRP rule, and accordingly, no bonuses were paid to the executive directors for the 2024/25 financial year, and the previously disclosed figures have been updated to £nil in this integrated annual report. No alternative or compensatory payments have been made.
- The breach of the PRP rule in respect of 2024/25 will also result in a pro-rata reduction to the vesting of the 2024 LTP award, the performance period for which spans the three financial years to 2026/27.

Remuneration committee report

Following the preliminary assessment of performance against targets, the committee undertook a review to determine whether the provisional outcome was aligned with overall performance and the experience of stakeholders, including customers and the environment. This involved consideration of performance across a range of stakeholder lenses which are not necessarily captured in the incentive scorecard (see further details on page 153). As a result of this review, the committee concluded that the bonus scorecard outcome fairly reflected overall performance and that it would not be necessary to exercise any discretion in respect of the bonus for 2025/26. The ranking position for BR-MeX is provisional pending formal confirmation from Ofwat, which is expected by the end of May 2026, before any bonus payments are made to the executive directors. If the final ranking is different to the best estimate shown in this report and this has an impact on the overall bonus outcomes, they will be updated in next year's report.

2023 Long Term Plan (LTP)

The 2023 LTP was based 50% on return on regulated equity (RoRE) and 50% on a basket of customer and environmental measures. The basket comprised five metrics selected to reflect customer priorities, demonstrate our focus on customer delivery and environmental performance, and recognise stakeholder expectations on ESG matters.

During the performance period the committee used its discretion to make adjustments affecting the carbon reduction and RoRE measures. For further details see page 152. RoRE has been calculated on a provisional basis pending finalisation and assurance of some of the inputs which feed into the final calculation. The final outcome for the EPA rating measure will only be known when our 2025 EPA rating is confirmed by the Environment Agency later in the year. The provisional vesting outcome for the 2023 LTP (with our best estimate for RoRE and without an outcome for the EPA rating measure) is 61.2% as shown on pages 160 and 161. We will provide an update in next year's report if the final outcome is different to this provisional position.

As with the annual bonus, the committee reviewed the provisional vesting outcome in the context of the overall performance of the business and stakeholder experience. Given the demonstrable progress made in recent years, the committee believes that the provisional LTP outcome fairly reflects the underlying performance of the company and is not currently minded to exercise any discretion in respect of the vesting of the 2023 LTP awards. The committee has the opportunity to revisit this assessment again prior to vesting. Both directors' awards will vest after the completion of a holding period taking the overall vesting period to five years from the grant date.

Base salaries for 2025/26 and 2025 Long Term Plan (LTP)

At the time of publishing last year's annual report, the committee had not finalised the salary proposals for the executive directors for 2025/26, nor the terms of the LTP award to be granted during the year.

Louise Beardmore and Phil Aspin have been in role since 2023 and 2020 respectively. Both were appointed on salaries materially lower than their predecessors (13% and 18% below respectively), with increases since then having been at or below the rate awarded to United Utilities' wider colleague base. This is in keeping with the committee's long-standing policy of restraint on executive salary levels, with increases for executive directors set at or below the workforce rate for many years.

Louise and Phil both have deep knowledge of the water industry and are highly regarded by many stakeholders. This was evidenced by the strong customer and stakeholder support received in relation to the growth proposals recently announced. Given the demands of the AMP and the expectations being placed upon the executive team, the committee concluded that this conservative salary positioning was failing to recognise the proven skills and experience of the executives, and was therefore no longer tenable. As such, Louise and Phil were each awarded a salary increase of 20%, effective 1 July 2025, bringing their salaries to £870k and £560k respectively.

In determining the appropriate salary positioning, the committee took into account market data from both water and infrastructure sector peers and comparably sized UK-focused FTSE listed companies. It was clear that the directors' salaries had fallen below market, with the revised salaries now positioned appropriately against these relevant benchmarks, as shown on page 145. The committee is aware of the preference for salary increases to be phased over multiple years and would note that this would be our typical approach. However, having already delayed making a corrective adjustment pending the start of AMP8, we concluded that to further delay addressing the salary imbalance, by a way of phased increases, would not be in the best interests of the company or its shareholders, nor fair to the executives.

Since 2013, the committee has been able to grant LTP awards up to 200% of salary to the executive directors but has historically used a lower operational limit of 130% of salary. This is materially below the normal level for a company of our size. Recognising the scale and complexity of the AMP and the need to motivate and retain the executive directors to deliver on the strategy amid the changing regulatory landscape, the committee used the flexibility afforded to it under the existing policy to grant awards at 200% of salary for 2025. The awards were made in December and are subject to challenging RoRE (50%

weighting) and customer and environmental measures (50% weighting), details of which were published on the company's website at the point of grant. See page 161 for further details.

In making its decisions the committee was acutely aware of the specific circumstances facing the sector at the moment and the need to create a fair, balanced and motivational remuneration package. Over the past two years, over half of the chief executives and chief financial officers at United Utilities' peers in the water and wastewater sector have stood down or announced their intention to stand down from their roles. Given the complexity and step-change in performance required in AMP8, retention of our experienced and capable leadership team is of increasing concern for the board and shareholders. Maintaining a remuneration structure that was knowingly below that offered by other similar companies became untenable and the committee took the necessary steps, within the parameters of the existing remuneration policy, to begin to address this.

Remuneration policy review

The current directors' remuneration policy was approved by shareholders with 99% support at the 2025 AGM. Under the remuneration reporting regulations, we were required to submit the policy to shareholders for approval last year. However, the timing was not ideal given the PR24 process, with the board only in a position to accept the final determination in January 2025. While the committee did undertake a review of the policy, the limited time available and uncertainty affecting the sector led us to conclude that the most appropriate course of action was to effectively roll over the existing policy, with only a minor change to bonus deferral being proposed (to reflect emerging market practice). The remuneration policy has remained substantively unchanged since 2013, when the current bonus and LTP limits were set, and has received strong support from shareholders over this period.

Having now had the opportunity to review the policy in more detail in the context of the challenges of AMP8 and the changing regulatory and external landscape, the committee is submitting a revised policy to shareholders for approval at the July 2026 AGM. The revised policy incorporates the following key changes:

- **Introduction of an AMP8 allowance** for the executive directors, payable in shares, to retain and ensure the stability of the executive team, and provide a competitive overall remuneration opportunity given the scale and complexity of AMP8. The shares will be beneficially owned by the executive directors from the point of receipt, with no performance or further service conditions applying; however,

directors will be required to hold the shares (net of tax) for at least two years (and longer if required to achieve their minimum shareholding requirement). The shares will be held in a nominee account to enforce this holding requirement. The AMP8 allowance has been set at £435k per annum for the chief executive and £280k per annum for the chief financial officer (payable in six-monthly instalments to ease administration) and fixed for the duration of AMP8 (i.e. it will not be subject to inflationary increases). Payment of the allowance will cease should the director give or receive notice to terminate employment. The allowance is specific to AMP8 in recognition of the scale and complexity of this AMP, and its use will be reconsidered ahead of the next regulatory period.

- **Revised limits under the annual bonus and LTP for directors in receipt of the AMP8 allowance, with an increased emphasis on long-term performance.** The maximum opportunity for directors in receipt of the AMP8 allowance will be set at 100% of salary for the annual bonus (reduced from 130% of salary under the current policy) and 175% of salary for the LTP (reduced from a maximum of 200% of salary under the current policy). The weighting on long-term performance has been increased to align with stakeholder interests. The bonus and LTP will continue to be subject to the achievement of the standards set out in Ofwat's PRP rule and stretching targets linked to financial, customer, community and environmental performance.

- **Higher share ownership requirements.** The in-post and post-employment shareholding requirement will increase to 250% of salary (from 200% of salary). If the LTP award level were to be positioned above 250% of salary (not currently anticipated), the shareholding requirement will increase in line with this on a 1:1 basis.
 - **Expanded malus and clawback provisions.** The malus and clawback provisions have been expanded to enable the withholding or recovery of performance-related pay where necessary following a breach of the standards set out in Ofwat's PRP rule.
 - **Flexibility for directors not in receipt of the AMP8 allowance.** Recognising that as a listed company, the remuneration policy is expected to last for three years, the committee has sought to maintain appropriate flexibility, for example in a recruitment situation. The maximum available opportunity for directors not in receipt of the AMP8 allowance, has been set at 150% of salary for the annual bonus and 300% of salary under the LTP. As above, the higher weighting on long-term performance is designed to align with stakeholder interests and FTSE best practice.
- Further details on the committee's decision-making process, including the comprehensive shareholder consultation process undertaken as part of this policy review are included in the Q&A section on pages 144 to 145

The committee has thought very carefully about how to construct a fair and balanced remuneration policy that will allow us to continue to retain and incentivise our experienced leadership team, and attract new talent. It is vitally important that we have a remuneration policy in place that reflects the significant increase in scale and associated risks of AMP8. We recognise that the proposals are somewhat unusual in the context of UK-market norms but believe that the unique circumstances which our sector faces (including competing stakeholder priorities and an ever-evolving regulatory environment) warrant adoption of a tailored approach. Recognising that executive remuneration in the water sector remains a contentious matter of public interest and as noted above, the board has decided that for 2025/26 none of the pay received by the executive directors will be paid for by customers. This goes beyond our previous commitment that customers would not pay for performance-related pay outcomes.

I hope that you find this report a clear and helpful account of the committee's key areas of focus and decisions during the year, and our plans looking forward. I would be happy to answer any questions you may have at the upcoming AGM.

This report has been approved by the board and is signed on its behalf by:

Kath Cates
Chair of the remuneration committee



Review of the directors' remuneration policy

Why have you returned with a revised policy only a year after the last policy renewal?

It was difficult for the committee to make a firm decision on the policy a year ago, as much remained uncertain. Ofwat did not publish the final determination for AMP8 until 19 December 2024 (accepted by United Utilities on 29 January 2025) and consultation was ongoing on the proposed Performance Related Pay (PRP) prohibition rule. The committee therefore decided to roll forward the existing policy broadly unchanged at the 2025 AGM. However, we need to ensure that we have a policy in place that reflects the scale and ambition of the AMP and the level of risk involved which is substantially different from all previous AMPs.

What makes AMP8 more challenging than previous AMPs?

AMP8 is significantly larger than AMP7 (and previous AMPs) due to the record investment programme (our largest in over 100 years), expanded environmental programmes focusing on improving river health and reducing storm overflow activations, investment in smart networks and data-driven asset management, greater affordability packages (which will see us provide support to one in six households) and the significantly tougher performance commitments and higher expectations for asset resilience. The recently announced growth plans, creating more jobs, enhancing infrastructure, and aligning with the Government's mission for economic growth and decarbonisation, are exciting but only further increase the scale, risk and complexity of what must be delivered. Regulation of the sector is also evolving, with the move towards the creation of a single regulatory entity. This enhanced political landscape sits alongside heightened scrutiny for the executive team, including threats to personal safety, and the potential for personal criminal liability under the Water (Special Measures) Act.

Why did the committee settle on introducing an AMP8 allowance?

AMP8 will see us deliver what will be the largest investment in water and wastewater infrastructure in over 100 years. This will enable us to drive significant environmental and service improvements across the North West, improving river quality and the resilience of our water supplies. The talent and capability of our people is fundamental to the delivery of the AMP8 business plan. The PRP rule places considerable uncertainty over how we can operate our variable pay schemes and shareholders had questioned the board over the ability of our current remuneration policy to retain the current executive team and attract the calibre of talent required to deliver on this ambitious

plan. We needed to make sure that the policy and packages that could be delivered under it are fair in the context of the challenges facing the sector and the demands being placed on the executive team. The AMP8 allowance has a retention effect because it provides a degree of certainty for the executives, while ensuring long-term alignment with shareholders. The allowance is specific to AMP8 and its use will be reconsidered ahead of the next regulatory period. The AMP8 allowance, alongside all other aspects of pay for the executive directors, whether fixed or performance-related, will not be paid for by customers.

Why are you changing the balance of annual bonus and LTP opportunity?

Under the new policy, for executive directors in receipt of the AMP8 allowance, the limit will be 100% of salary for the annual bonus and 175% of salary for the LTP, as we wanted to increase the emphasis on long-term performance. This better reflects the long-term nature of the investment decisions being made by the executive team and aligns with our focus on delivering sustainable long-term performance.

Why are the maximum policy limits for the annual bonus and LTP changing under the new policy?

For executive directors not in receipt of the AMP8 allowance, the maximum policy limits are set at 150% of salary for the annual bonus and 300% of salary for the LTP. In aggregate these limits bring the policy in line with typical market practice at similar sized UK-focused FTSE companies, albeit with a greater emphasis on long-term performance, and are designed to provide flexibility to the committee, for example in a recruitment situation.

The AMP8 allowance would not necessarily be payable to a new executive director, but the policy provides flexibility for the committee to consider and determine this at the appropriate time.

What else did the committee consider as part of its review and why did you settle on this proposal?

We considered a wide range of different approaches including higher incentive opportunities, changes to the benefit provisions, different long-term incentive structures such as hybrid awards and restricted share awards, retention awards, and higher salaries. Overall, we strongly believe that the proposed approach strikes the right balance between providing a fair and motivational package for the executives while maintaining a strong link between pay and performance.

How will the changes impact the pay mix under the new policy?

The committee believes the balanced remuneration package will provide a more effective pay structure through which to reinforce short-term and long-term financial, customer and environmental goals. We are keen to ensure our executives are retained for the duration of the AMP and beyond, and that they are both able and encouraged to build up a meaningful share ownership. The equity-based pay components being proposed, and the growing shareholdings of the current executives, will ensure continued alignment with shareholders and a continued focus on long-term decision-making over the next AMP cycle, which is the fundamental mindset at United Utilities.

Under the revised policy, over 62% of the remuneration package will be performance-related and over 56% will be delivered in shares which must be held for the long term, demonstrating long-term alignment with shareholders, customers and the environment.

What consultation has taken place with stakeholders?

In formalising the policy changes, the committee undertook a comprehensive engagement process, contacting more than 20 of our largest shareholders representing almost 60% of the register, and ultimately held meetings with 14 different shareholders representing around 50% of the register. In total, the committee conducted 15 meetings, in addition to meetings with representatives from the major proxy advisory bodies (Investment Association, ISS and Glass Lewis). The committee is grateful for all the feedback received during this process.

Shareholder engagement timeline

September–November 2025	Remuneration committee meetings to review and discuss proposed policy changes
December 2025–January 2026	Meetings with 6 of our largest shareholders
January 2026	Committee considered initial feedback received
February–May 2026	Meetings with a further 8 of our largest shareholders Meetings with proxy advisers
May 2026	Committee considered all feedback and reviewed policy proposals

During the year, on behalf of the committee, the head of reward engaged with the colleague voice panel in relation to the company's executive remuneration principles and the alignment of executive remuneration with wider company pay policy, but due to the timing of the policy review it was not possible to engage directly with colleagues on the specifics of the proposed policy. Details about the policy changes will be discussed with the colleague voice panel later in the year.

What external reference points did the committee consider when assessing the appropriateness of the pay levels?

We need to be able to compete for talent both inside and outside of the water sector and our senior leadership team come from a variety of different backgrounds. The committee took into account a variety of different reference points including other water companies, the wider infrastructure sector and other UK-focused FTSE listed companies.

With greater transparency over pay arrangements at listed companies, the FTSE 31-100 UK focused group provides a robust data set for external disclosure. The peer set excludes those companies with a more global outlook (more than 50% of revenues derived from outside of the UK). The charts below summarise how the proposed remuneration arrangements compare to this peer group. In size terms, United Utilities is ranked above median on market capitalisation, just below median on headcount and around

median on revenue. In terms of relative performance, United Utilities has performed strongly against this group (between median and upper quartile relative TSR over rolling three-year performance periods to 31 March 2026).

What feedback was received and what changes were made following this consultation process?

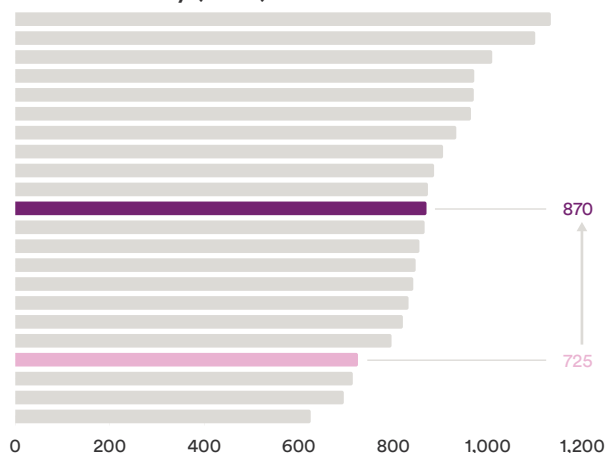
Open and meaningful dialogue was undertaken, and shareholders were understanding of the challenges facing the committee and the demands being placed on the executive directors. The retention of Louise Beardmore and Phil Aspin, and maintaining a stable executive team, was a matter of clear interest for shareholders. While strong support was expressed for the proposed changes, some shareholders raised fair and reasonable points which have been addressed in the final policy, such as the committee extending the holding period for the AMP8 allowance from one year to two years and increasing the shareholding guideline from 200% to 250% of salary.

How did the committee take into account wider workforce pay when making its decisions?

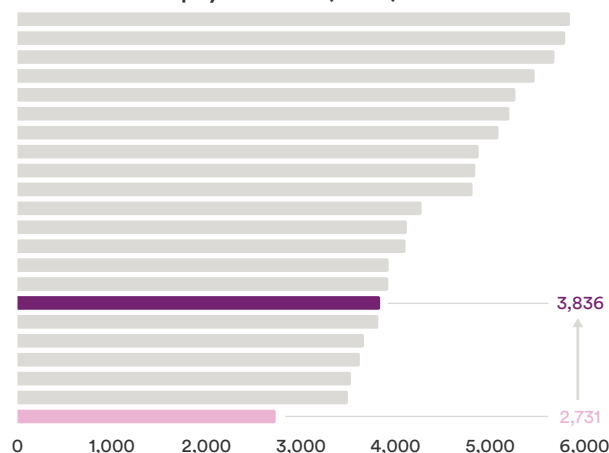
We aim to reward our colleagues fairly and competitively across all levels of the organisation, to enable us to hire and retain the best people. The committee receives regular updates on broader pay matters from the people director and head of reward, and members of the committee recently attended the company's all-colleague event in Liverpool. United Utilities is an accredited Living Wage Foundation employer and colleagues at all levels have the same bonus measures as executive directors, so everyone benefits from the success of the company. Page 164 shows how pay and benefits cascade throughout the company.

External reference point: FTSE31-100 UK focused group

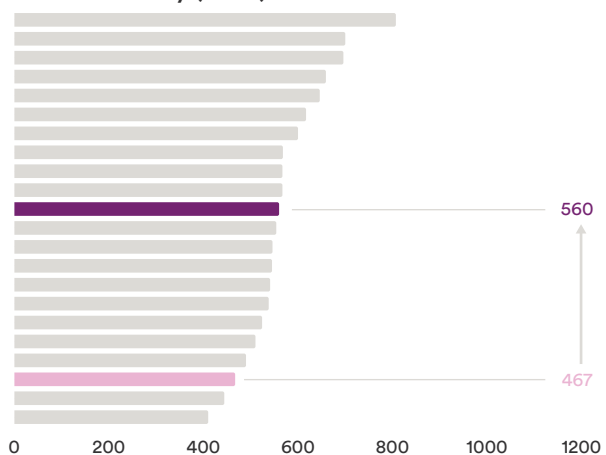
CEO base salary (£000)



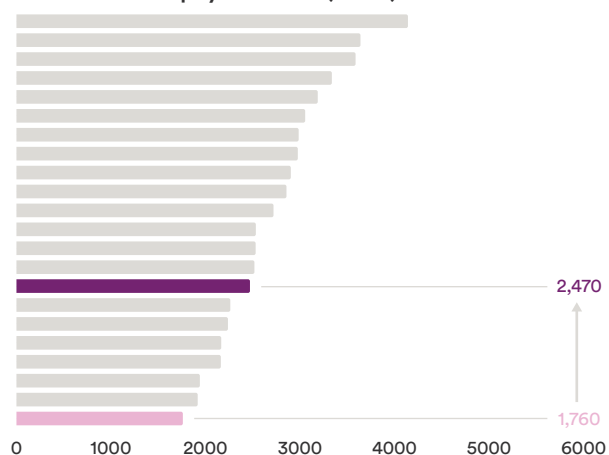
CEO maximum pay scenario (£000)



CFO base salary (£000)



CFO maximum pay scenario (£000)



Peer companies: Autotrader, Babcock, Barratt Redrow, Berkeley Group Holdings, British Land, BT, Centrica, Easyjet, Howden Joinery, J Sainsbury, Land Securities, LondonMetric Property, Marks and Spencer, Next, Persimmon, Rightmove, SEGRO, Severn Trent, SSE and Whitbread.

Note: Analysis based on latest available annual report and AGM disclosures as at 31 March 2026.



Overview of executive remuneration

How we ensure that our remuneration approach is aligned with the business strategy

Our remuneration approach is aligned to our purpose, values and strategic priorities, thereby incentivising delivery for customers and the environment, and the creation of long-term value for all of our stakeholders.

Our purpose is to provide great water for a stronger, greener, healthier North West

Our strategic priorities

Our purpose is implemented throughout our strategy

- Improve our rivers
- Create a greener future
- Deliver great service for all our customers
- Provide a safe and great place to work
- Spend customers' money wisely
- Contribute to our communities

Element	Why it's important to our remuneration approach	Link to strategic priorities /different stakeholders
2025/26 annual bonus		
Underlying operating profit	Underlying operating profit is a key measure of shareholder value.	
Reducing pollution and enhancing outcomes for customers and the environment <ul style="list-style-type: none"> Serious pollution incidents Sewer flooding incidents Storm overflows: reduction in number of spills Storm overflows: delivery of programme milestones 	Protecting and improving the environment is a priority for the company, and minimising the extent to which our operations might cause a pollution is a crucial part of this. <p>Sewer flooding, both internal and external, is unpleasant and distressing for customers. Minimising the extent to which our operations contribute to sewer flooding is therefore crucial.</p> <p>Improving river health continues to be a key area of focus and we have an ambitious plan to reduce storm overflows across our region. The use of bonus measures relating to the reduction of storm overflows means our executive directors are incentivised to deliver these plans.</p>	
Improving water quality and minimising leakage and interruptions to supply <ul style="list-style-type: none"> Leakage Per capita consumption Supply interruptions Water quality contacts (due to appearance) 	Reductions in leakage and per capita consumption will improve our water resources supply/demand balance and reduce our environmental impact. Improvements in these measures will help reduce the need for water abstraction, treatment and distribution requirements and help to maintain our trajectory towards achieving our longer-term targets for demand reduction. <p>Customers expect a continuous reliable supply of water and the supply interruptions measure incentivises directors to invest in asset health and resilience to improve the reliability of supply, minimise the number and duration of supply interruptions and reduce the impact on customers having no water supply.</p> <p>Customers expect the water that comes out of their tap to be clear, and when it is discoloured it can affect public confidence in the water supply. The water quality contacts measure helps drive improvements in this aspect of our performance.</p>	
Improving customer service <ul style="list-style-type: none"> C-MeX ranking BR-MeX ranking 	By using Ofwat's measures of customer experience, executive directors are incentivised to deliver the best service to customers. Ofwat can apply financial incentives or penalties depending on our customer service performance.	
Delivering our capital programme efficiently <ul style="list-style-type: none"> Capital programme delivery incentive (CPDi) including WINEP 	The CPDi measure incentivises the executive directors to keep tight control of our capital programmes ensuring we are delivering programmes to time, cost and quality, delivering the new infrastructure that everyone wants to see, and in an environmentally conscious way.	
Looking after our people <ul style="list-style-type: none"> Colleague lost time injury frequency rate 	We are committed to ensuring everyone goes home safe and well every day, and continue to drive performance improvements as we address our top risks by introducing life-saving rules. We have targeted a reduction in our lost time injury frequency rate and we will monitor this throughout the year and introduce targeted improvement plans in order to meet this target.	
Compulsory deferral of bonus	Requiring executive directors to defer part of their bonus into shares provides reassurance that the company is being run in the longer-term interests of shareholders, customers and the environment, including beyond the annual bonus period. It reassures shareholders and customers that some/all of the deferred bonus could ultimately be withheld if, during the deferral period, this is deemed necessary.	

Our annual bonus and Long Term Plan (LTP) are closely aligned to our strategic priorities and with delivery for our stakeholders. They each demonstrate a clear focus on customers and the environment.

Stakeholders

Delivering for all our stakeholders

Customers

Environment

Communities

Colleagues

Suppliers

Investors

Our remuneration approach supports our business and people strategy and reflects the views of different stakeholders.

There are three key principles of our approach to executive remuneration:

- 1 Align** to our purpose, values and strategy
- 2 Incentivise delivery** for customers and the environment
- 3 Create long-term value** for all of our stakeholders

Our incentive framework in 2025/26 was designed to align with our business strategy and delivers for each of our stakeholder groups, with over 60% of incentives based on customer and environmental measures.

Element	Why it's important to our remuneration approach	Link to strategic priorities /different stakeholders
2023 Long Term Plan (LTP)		
Return on regulated equity (RoRE)	RoRE is a key regulatory measure of performance against the final determination. Outperformance will result in an increase to RoRE, which should translate into higher returns for shareholders through share price performance. Outperformance also benefits customers and the environment through strong delivery against stretching performance commitments, efficiencies in the capital investment programme and lower long-term financing costs.	
Basket of customer and environmental measures	The basket is made up of specific performance commitments relevant to AMP8, focusing on areas that customers have identified via our research as being most important to them. It also includes a carbon measure linked to our efforts to continually strengthen the sustainability and resilience of our business. Strong delivery of the commitments benefits our customers, communities and the environment, and can result in outperformance payments from Ofwat, which is positive for shareholders.	
Additional holding period (so the overall vesting and holding period is at least five years)	Requiring the executive directors to wait a further period after the performance outcome of their award is known ensures continued longer-term alignment with shareholder interests and delivery for stakeholders, including customers and the environment. It reassures shareholders and customers that some/all of the LTP outcome could ultimately be withheld if, during the holding period, this is deemed necessary.	
Key governance mechanisms		
Discretion over outcomes	The committee retains discretion to override formulaic outcomes (including reducing down to zero) in both schemes to ensure that they are appropriate and reflective of overall performance, over the life of the policy (taking into account any evolution of the strategic goals for the company and to reflect customer and regulatory priorities).	
Withholding and recovery provisions	Bonuses and shares under the DBP and LTP are subject to withholding (malus) and recovery (clawback) provisions in cases of: material misstatement of audited financial results; an error in the calculation; gross misconduct; serious reputational damage; serious failure of risk management; corporate failure; or other circumstances that the committee may determine.	
Shareholding guidelines	It is important that each executive director builds and maintains a meaningful shareholding in shares of the company to provide alignment with shareholder interests (during and after employment) and as a demonstration that the company is being run for the long-term benefit of all its stakeholders, including customers and the environment.	

Overview of executive remuneration

How we have implemented the remuneration policy in 2025/26

The table below summarises the implementation of the directors' remuneration policy for executive directors in 2025/26. For further details see the annual report on remuneration on pages 160 to 169.

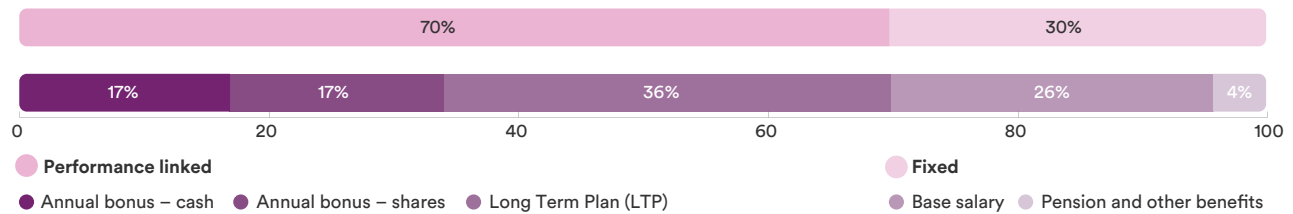
Key element	Implementation of policy in 2025/26
Base salary	<ul style="list-style-type: none"> Louise Beardmore and Phil Aspin each received a salary increase of 20% from 1 July 2025. This was a correctional increase to bring their salaries in line with the market rate for similar-sized, UK-focused companies. See pages 142 and 145.
Benefits and pension	<ul style="list-style-type: none"> Market competitive benefits package including a green travel allowance of £14,000; health, life cover and income protection; and reimbursement of taxable expenses. The pension arrangements for the executive directors are the same as those available to the wider workforce. Louise Beardmore has a combination of a cash pension allowance and a contribution into the pension scheme such that the cost to the company is broadly the same as 12% of base salary. Phil Aspin has a cash pension allowance of 12% of base salary.
Annual bonus	<ul style="list-style-type: none"> Maximum opportunity of 130% of base salary. 2025/26 annual bonus outcome of 76.6% (provisional). In line with policy, Louise Beardmore will defer 50% of her 2025/26 annual bonus for three years. Phil Aspin will defer 25% of his 2025/26 annual bonus for three years. Withholding and recovery provisions apply.
Long Term Plan	<ul style="list-style-type: none"> The 2023 LTP award was worth 130% of base salary on grant. Provisional long-term incentive vesting of 61.2% for the performance period 1 April 2023 to 31 March 2026. The awards will vest after an additional holding period, which ends no earlier than five years from the date of grant. Withholding and recovery provisions apply. The 2025 LTP award was worth 200% of base salary on grant.
Shareholding guidelines	<ul style="list-style-type: none"> Personal shareholding for Phil Aspin is above the minimum shareholding requirement. Louise Beardmore is building her respective shareholding and is expected to reach the minimum shareholding requirement within five years of her appointment as CEO, in line with policy. Post-employment shareholding requirements apply. See page 166 for further details.

How we align pay with performance

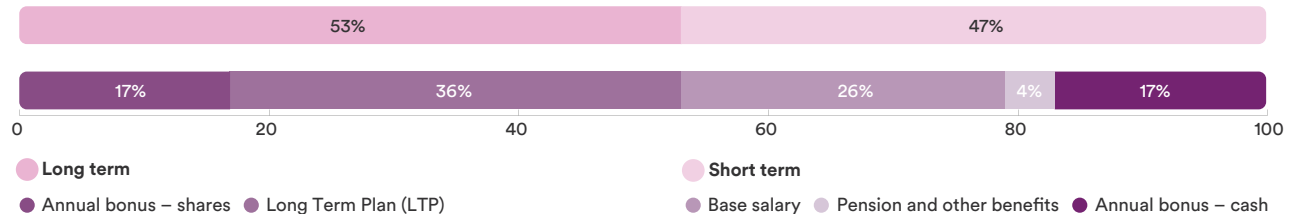
Elements of executive directors' pay for 2025/26

A significant proportion of executive directors' pay is performance-related, long-term and remains 'at risk' (i.e. subject to withholding and recovery provisions for a period over which the committee can withhold vesting or recover sums paid):

Performance-related versus fixed (%)⁽¹⁾



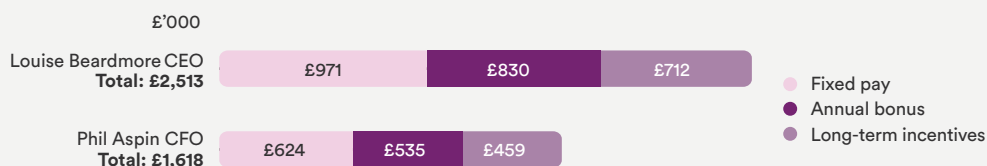
Long term versus short term (%)⁽¹⁾



⁽¹⁾ Based on maximum payout scenario for executive directors in respect of the performance related pay elements available in 2025/26, assuming 50% bonus deferral for 2025/26 and that the Long Term Plan (LTP) granted in 2023 had vested in full including share price appreciation.

Single total figure of remuneration for executive directors for 2025/26

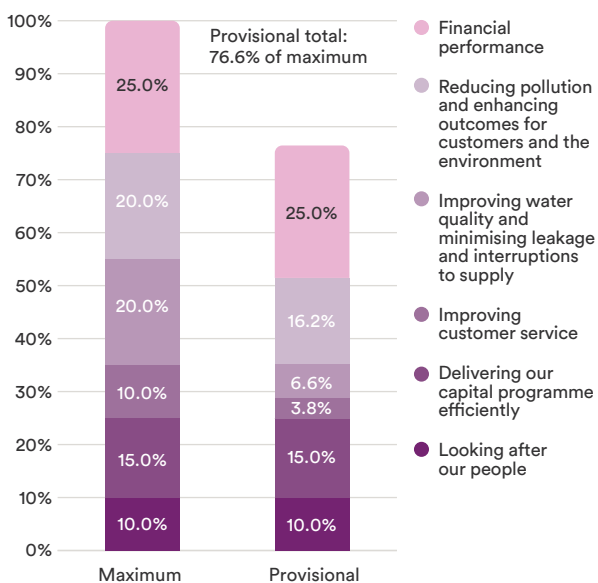
Fixed pay comprises base salary, benefits and pension. Further information on the single figure of remuneration can be seen on page 160.



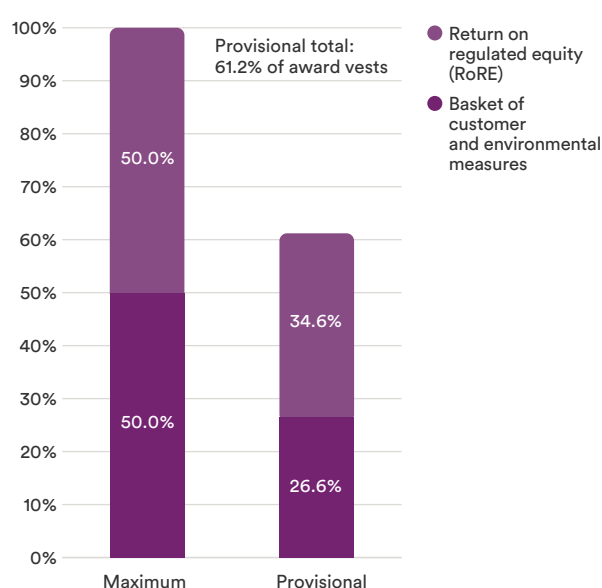
Performance-related pay outcomes

The charts below show the results of the performance against targets for the annual bonus and LTP. Further information about the annual bonus and LTP is shown on pages 150 to 152 and pages 160 to 161.

Provisional 2025/26 annual bonus outcome



Provisional 2023 Long Term Plan (LTP) outcome



Ensuring pay for performance

The committee undertakes a multi-stage process to ensure rigorous alignment between pay and performance

Measure selection and target setting	<ul style="list-style-type: none"> At the outset of the process, the committee meets to agree the performance measures to be used for the upcoming annual bonus and LTP award cycle. The measures are selected based on their importance to the business strategy and the priority areas identified by stakeholders. A balanced scorecard, incorporating financial, operational, customer and environmental metrics is used for both the bonus and LTP to ensure a rounded assessment of performance. Once the measures and weightings have been identified, a sliding scale of stretching performance targets is set for each measure. The ranges are set taking into consideration our internal business plan, the performance commitments agreed with Ofwat, our ambition to deliver industry-leading performance and the expectations of stakeholders. Full pay-out of the annual bonus and LTP requires the delivery of exceptional performance.
Interim performance updates	<ul style="list-style-type: none"> During the year, the committee receives updates on performance against targets for the annual bonus and inflight LTP awards. The committee also considers whether any other matters have arisen during the course of the year that should be taken into account when assessing the overall performance outcome at the end of the performance period that are not directly captured in the scorecard metrics.
Assessing the final performance outcome	<ul style="list-style-type: none"> At the end of the performance period, the committee reviews the formulaic outturn of each measure. A balanced review of the wider stakeholder experience is then conducted, this takes into account the customer experience, environmental performance, health and safety matters, colleague experience and the returns delivered to shareholders over the relevant performance period. The committee uses this to determine whether discretion or any adjustment should be made to the award outcome. The committee reviews whether PRP is justified and whether any incidents occurred that would result in PRP not being payable. After all three steps are reviewed, the final performance outcome is then confirmed. See page 160 for the 2025/26 annual bonus review and outturn proposal and pages 160 to 161 for the 2023 LTP review and vesting proposal
Recovery and withholding provisions	<ul style="list-style-type: none"> Even after the outcome has been confirmed, cash bonuses and shares granted under the DBP and LTP remain at risk. Depending on the circumstances, awards may be withheld or recovered (repaid) within three years of the payment of a cash bonus, during the three-year vesting period of the DBP award, or within three years following the date in which the committee has determined that the LTP performance targets have been satisfied. See page 157 for further details on the timeframes and triggers for the recovery and withholding provisions

Overview of executive remuneration

How we set stretching targets

2025/26 annual bonus scorecard

Straight-line vesting applies between threshold and target, and target and stretch, with nil vesting below threshold performance.

Financial performance:

Underlying operating profit (25.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	G
Target range:	£978.2m	£1,013.2m	£1,048.2m	£1,048.7m	

This is based on the underlying operating profit on page 96 to 97 after deducting income in relation to diversions infrastructure renewals expenditure. Our target range for the measure is linked to the stretching board-approved budget for FY26, and reflects potential risks and opportunities which may occur during the year. The original targets were subject to a mechanistic adjustment following the audit committee's decision to exclude HS2 revenue from underlying profit measures, as set out on pages 96 to 97.

Reducing pollution and enhancing outcomes for customers and the environment:

Serious pollution incidents (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	A
Target range:	2 incidents	1 incident	0 incidents	2 category 2 incidents	

Serious pollution incidents are defined as the number of category 1 and 2 pollution incidents occurring during the calendar year. In three out of the past five years the company has had one or more serious pollution incidents. Across the sector in 2024 there were 75 category 1 and 2 serious pollution incidents (EPA results 2024). The stretch target represents industry-leading performance.

Sewer flooding incidents (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	G
Target range:	22.72	20.89	19.65	17.87	

This measure is based on both internal and external flooding incidents per 10,000 connected properties. The stretch target requires a 20% improvement over prior year (FY25) and aligns with the ambition in our AMP8 business plan for FY26.

Storm overflows (activations) (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	G
Target range:	3,000 fewer	6,000 fewer	10,000 fewer	16,974 fewer	

Storm overflow activations are significantly impacted by rainfall as well as being dependent on the operation and capacity of the wastewater system. This measure is based on reduction in reportable storm overflow activations in calendar year 2025 compared to our 2024 outturn (77,817), with the stretch target corresponding to a 13% reduction.

Storm overflows (milestones) (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	G
Target range:	90.0%	95.0%	100%	100%	

Based on the delivery of our storm overflows programme milestones. Improving river health continues to be a key area of focus for United Utilities and we have an ambitious multi-year plan to reduce storm overflows across our region. Our stretch target for this measure requires full achievement of programme milestones during FY26.

Improving water quality and minimising leakage and interruptions to supply:

Leakage (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	A
Target range:	407.0	399.6	385.0	404.9	

Based on leakage (megalitres per day as a three-year average) using FY26 performance reporting. Reducing leakage is central to improving efficiency and ensuring continuity of supply. The stretch target requires 6% improvement over FY25 and aligns with the ambition in our AMP8 business plan.

Supply interruptions (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	R
Target range:	00:10:44	00:07:11	00:05:00	00:13:02	

Based on supply interruptions expressed as minutes lost during FY26. The stretch target represents a 65% improvement over FY25, would equate to upper quartile performance, and aligns with the ambition in our AMP8 business plan.

Water quality contacts (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	R
Target range:	5,000	4,800	4,600	5,529	

Based on water quality contacts due to appearance during FY26. The stretch target represents a 11% improvement over FY25 and aligns with the ambition in our AMP8 business plan.

Water consumption (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	G
Target range:	136.6	136.1	135.6	126.3	

Based on per capita consumption expressed as litres per day during FY26. This measure reflects our commitment to sustainably manage natural resources and work on our lowest bill guarantee, including helping customers to understand their usage and our targeted water efficiency home audits. The stretch target represents a 1% improvement over FY25 and aligns with the ambition in our AMP8 business plan.

Key:



At or above stretch target



Between threshold and stretch targets



Below threshold target

Improving customer service:

C-MeX (experience) (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	A
Target range:	7th	6th	5th	7th	

We are ranked out of the 17 water and wastewater companies serving household customers in England and Wales for this measure. The stretch target of 5th would equal our best ever ranking position, placing us just below upper quartile.

BR-MeX (experience) (5.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Provisional	A
Target range:	6th	5th	4th	5th	

We are ranked out of the 15 wholesalers operating in the business retail market in England for this measure. The stretch target of 4th exceeds our performance commitment for an outcome delivery Incentive reward.

Delivering our capital programme efficiently:

Capital Programme Delivery incentive (15.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	G
Target range:	90.0%	95.0%	100%	100%	

CPDi is an internal measure that measures the extent to which we deliver our capital projects on time, to budget and to the required quality standard. It is expressed as a percentage, with a higher percentage representing better performance. The stretch target of 100% represents the best possible performance.

Looking after our people:

Health and Safety (10.0%)	Threshold (25% vesting)	Target (50% vesting)	Stretch (100% vesting)	Actual	G
Target range:	0.246	0.233	0.220	0.177	

Based on colleague lost time injury frequency rate for the year, with the stretch target representing a 15% improvement on prior year performance and requiring material workforce engagement with our refreshed Home Safe and Well programme.




Overview of executive remuneration

How we set stretching targets (continued)

2023 LTP (performance period ending 31 March 2026)


Straight-line vesting applies between threshold and stretch, with nil vesting below threshold performance.

Financial performance:


Return on regulated equity (50.0%) ⁽¹⁾	Threshold (25% vesting)	Stretch (100% vesting)	Provisional 
Target range:	1.00% above average allowed RoRE	2.75% above average allowed RoRE	2.04% above average allowed RoRE

Based on outperformance of the average allowed return set by the regulator across the performance period. Stretching targets were set with reference to the board-approved business plan, requiring ambitious performance delivery alongside significant cost efficiencies.

Customer and environment basket:

Average number of spills per overflow (10.0%) ⁽²⁾	Threshold (25% vesting)	Stretch (100% vesting)	Actual 
Target range:	27.51	26.20	26.8


Based on the average number of spills per overflow using FY26 reporting, with the stretch target representing a 25% improvement on FY23 performance but noting that when the target was set not all overflows had event duration monitors (EDMs) installed. Since 2024 all overflows have EDMs and with increased monitoring potentially helping to identify more spills, this potentially added further stretch on the measure.

Environment Agency EPA rating (10.0%) ⁽³⁾	Threshold (25% vesting)	Stretch (100% vesting)	tbc 
Target range:	3*	4*	tbc

Based on our EPA rating in respect of the 2025 calendar year. The stretch target of 4* requires achievement of the highest possible rating and represents industry-leading performance.

Leakage (10.0%) ⁽⁴⁾	Threshold (25% vesting)	Stretch (100% vesting)	Actual 
Target range:	92.4	88.0	93.6

Based on megalitres of leakage per 10,000 kilometres of water network per day (three-year average). The stretch target requires 10.6% improvement over the 2022/23 base year performance and aligns with the ambition in our AMP8 business plan.

Priority Services (10.0%) ⁽⁴⁾	Threshold (25% vesting)	Stretch (100% vesting)	Actual 
Target range:	15.20%	16.00%	18.26%

Based on the percentage of our customers who are listed on our Priority Services Register by 2026. The achievement of the stretch target would demonstrate material progress towards the ambition set out in our vulnerability strategy, within which we are aiming for 25% of customers to be accessing the Priority Services scheme by 2030.

Carbon reduction (10.0%) ⁽⁴⁾⁽⁵⁾	Threshold (25% vesting)	Stretch (100% vesting)	Actual 
Target range:	23.0%	25.0%	25.3%

Based on the percentage of our energy use which is derived from low-carbon sources. The stretch target requires an absolute improvement in our use of low-carbon sources during the performance period, alongside minimising energy demand growth driven by growth in population and quality requirements to improve water and wastewater quality. Key actions taken over the three-year period include growing our use of electrical vehicles, accelerating switching to low-carbon fuels to reduce fossil fuel use and driving innovation to support future decarbonisation of our business.

- ⁽¹⁾ RoRE calculated consistent with the tax and outcome delivery incentive assumptions used when the targets were set which were subject to further regulatory clarification, and excluding the impact of board-approved actions taken in the best interests of customers and the environment.
- ⁽²⁾ Outcome based on performance in the calendar year ending 31 December 2025 as published in our own annual performance report for 2025/26.
- ⁽³⁾ Outcome based on performance in the calendar year ending 31 December 2025 as published in the Environment Agency's published report in 2026.
- ⁽⁴⁾ Outcome based on performance in the financial year ending 31 March 2026 as published in our own integrated annual report and/or annual performance report for 2025/26.
- ⁽⁵⁾ Carbon measure performance excludes the impact of board-approved additional actions taken to progress compliance requirements for the Industrial Emissions Directive during the performance period that were not known when targets were set.

Key:



At or above stretch target

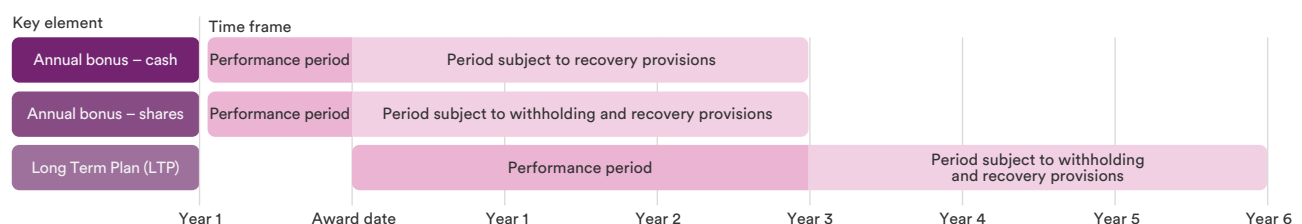


Between threshold and stretch targets



Below threshold target

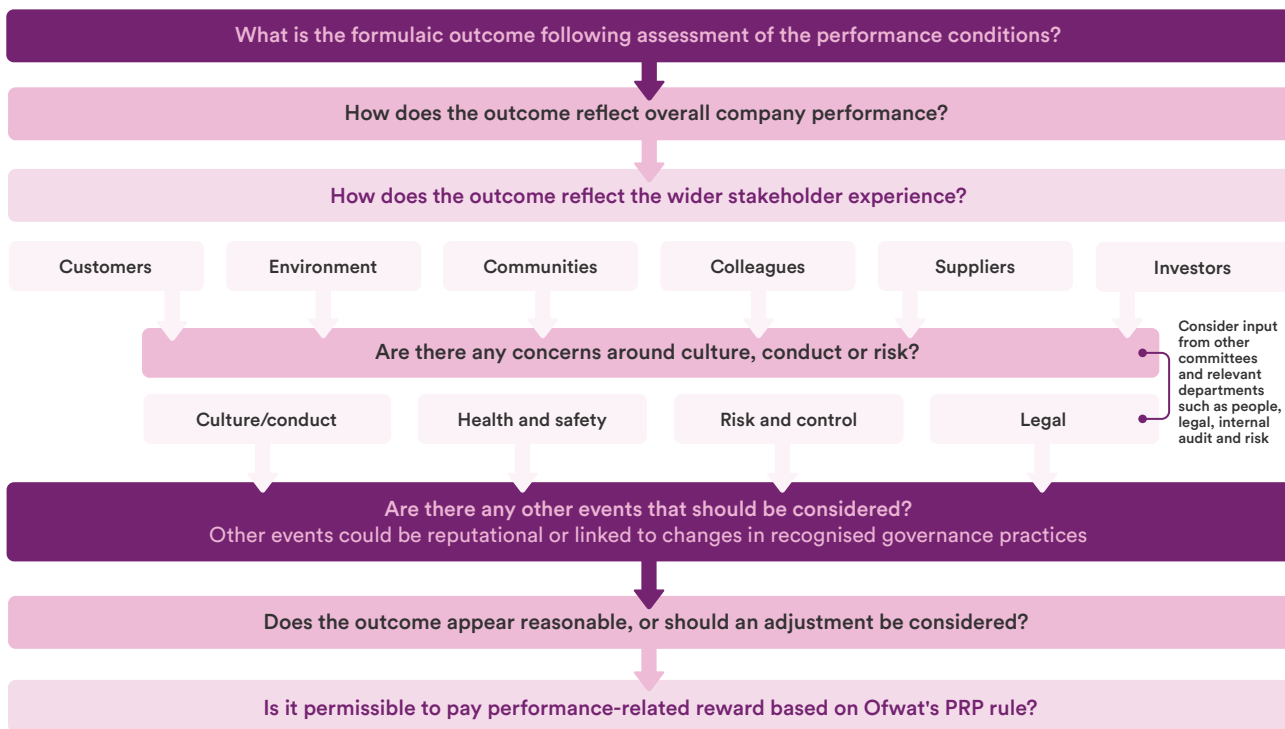
Pay at risk



► Further details on the timeframes and triggers for the withholding and recovery provisions can be found on page 157.

How the committee conducts its final performance assessment

Assessing the final performance outcome



Consideration of alignment with stakeholders

Customers

- Rated 4.5 out of 5 (Excellent) on Trustpilot
- >422,000 customers supported with affordability
- >597,000 customers registered for Priority Services (up 10%)
- Above median on Ofwat's C-MeX, D-MeX and BR-MeX rankings

Environment

- No category 1 pollution incidents
- Reduction in category 2 and 3 pollution incidents
- 23% reduction in number of spills per overflow and 27% reduction in spill duration year-on-year
- 42% reduction in internal sewer flooding and 25% reduction in external sewer flooding cases year-on-year

Communities

- Circa 34,000 jobs to be supported by AMP8 investment programme
- £3.84 million community investment, assured by B4SI
- Empowered community groups to tackle water management challenges, such as by providing equipment to help them be more water efficient

Colleagues

- Colleague engagement at 90%
- Rated 4.6 out of 5 on Glassdoor as an employer in the region
- 30% reduction in lost time injury frequency rate
- 1,300 new colleagues joined in year

Suppliers

- >1,000 live projects
- >100 new suppliers on-boarded
- 100% CPDi score

Investors

- EPS up 42% to 107.1p
- Regulatory return of 13.0%
- 53.66p dividend in line with policy
- Robust balance sheet, with gearing at 60%
- +36.4% TSR over the year, outperforming our listed water company peers and the FTSE 100 return of 22.6%

Directors' remuneration policy

This part of the directors' remuneration report sets out the remuneration policy for the company, and has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The policy in this report will be put to a binding shareholder vote at the AGM on 17 July 2026, and will take formal effect from that date, subject to shareholder approval. A summary of the policy development process and key changes are provided on pages 142 to 145.

Overview of remuneration policy

The company's remuneration arrangements are ultimately designed to promote the long-term success of the company, without paying more than is necessary for this objective. The committee recognises that the company operates in the North West of England in a regulated environment and, therefore, needs to ensure that the structure of executive remuneration reflects both the practices of the markets in which its executives operate, and stakeholder expectations of how the company should be run.

The committee also recognises that the success of the company is dependent on the company's ability to attract, motivate and retain senior executives of the calibre required to deliver against the business plan and long-term strategy. This requires the design and application of the remuneration

policy to be fair, consistent and transparent. The committee monitors the remuneration arrangements to ensure that there is an appropriate balance between risk and reward.

There is a clear and direct link between incentives and the delivery of the company's business plans. If the business plan is delivered within an acceptable level of risk, the committee believes that there should be the opportunity for senior executives to be rewarded through the annual bonus and long-term incentives. If it is not delivered, then a significant part of their potential remuneration will not be paid, providing alignment with stakeholders.

The committee understands that listening to the views of the company's key stakeholders plays a vital role in formulating and implementing a successful remuneration policy over the long term.

The committee thus actively seeks the views of shareholders and other key stakeholders to inform the development of the remuneration policy, particularly where any changes to policy are envisaged. Customer and stakeholder engagement directly informed the development of our business plan on which our variable pay arrangements are based. Engagement is conducted in a

variety of ways including customer focus groups, workshops, online community panels and surveys to understand the key priorities for our customers and this feedback is used by the committee to inform the choice and weighting of measures used in the annual bonus and LTP.

Account is also taken of colleague views on the policy, typically via the Colleague Voice panel. Additionally, the company carries out colleague engagement surveys and regular discussion takes place with union representatives on matters of pay and remuneration for colleagues covered by collective bargaining or consultation arrangements, all of which can provide insight which is of value to the committee. The general base salary increase and broader remuneration arrangements, including pension provision, for the wider colleague population are considered by the committee when determining remuneration policy for the executive directors. As outlined on page 165 processes are in place for the committee to regularly review and consider any remuneration-related matters that may arise from the activities undertaken by the board to take account of the 'colleague voice'.

Future policy for directors

Base salary

Purpose and link to strategy:

To attract and retain executives of the experience and quality required to deliver the company's strategy.

Operation	Maximum opportunity
Normally reviewed annually.	Current salary levels are shown in the annual report on remuneration.
Significant increases in salary should only take place infrequently, for example where there has been a material increase in: <ul style="list-style-type: none"> the size of the individual's role; the size of the company (e.g. through mergers and acquisitions); or the pay market for directly comparable companies (for example, companies of a similar size and complexity). 	Executive directors will normally receive a salary increase that is generally no greater than the increase awarded to the general workforce, unless one or more of the conditions outlined under 'Operation' is met.
On recruitment or promotion to executive director, the committee will take into account previous remuneration, and pay levels for comparable companies, when setting salary levels. This may lead to salary being set at a lower or higher level than for the previous incumbent.	Where the committee has set the salary of an executive director at a discount to the market level, increases can be implemented in the following years to bring the salary to the appropriate market position, subject to individual performance.
	Performance measures
	None.

Pension

Purpose and link to strategy:

To provide a level of benefits that allows for personal retirement planning.

Operation	Maximum opportunity
Executive directors are offered the choice of: <ul style="list-style-type: none"> a company contribution into a defined contribution pension scheme; a cash allowance in lieu of pension; or a combination of a company contribution into a defined contribution pension scheme and a cash allowance. 	The maximum opportunity is aligned to the approach available to the wider workforce, currently: <ul style="list-style-type: none"> up to 14% of salary into a defined contribution scheme; cash allowance of broadly equivalent cost to the company (up to 14% of salary less employer national insurance contributions at the prevailing rate, i.e. up to 12% of base salary for 2025/26); or a combination of both such that the cost to the company is broadly the same.
	Performance measures
	None.

Benefits

Purpose and link to strategy:

To provide market competitive benefits to help recruit and retain high-calibre executives.

Operation	Maximum opportunity
Provision of benefits such as: <ul style="list-style-type: none"> • health benefits; • green travel allowance; • relocation assistance; • life assurance; • group income protection; • all-employee share schemes (e.g. opportunity to join the ShareBuy scheme); • travel; and • communication costs. 	As it is not possible to calculate in advance the cost of all benefits, a maximum is not predetermined.
	Performance measures
	None.
Any reasonable business-related expenses can be reimbursed (and any tax thereon met if determined to be a taxable benefit).	
Executives will be eligible for any other benefits that are introduced for the wider workforce on broadly similar terms and additional benefits might be provided from time to time if the committee decides payment of such benefits is appropriate.	

AMP8 allowance

Purpose and link to strategy:

To provide a competitive overall remuneration opportunity that reflects the scale and complexity of AMP8 and to help retain executives of the experience and quality required to deliver the company's strategy.

Operation	Maximum opportunity
Paid in company shares, typically in six-monthly instalments. Shares (net of tax) must be held for two years (or longer, if required under the Directors' Shareholding Requirements). Nominee accounts are used to ensure the holding requirement can be robustly enforced. Payment of the AMP8 allowance will commence in FY27 (following approval of the directors' remuneration policy at the 2026 AGM) and last for the duration of AMP8 (until 31 March 2030).	Fixed in monetary terms at £435,000 per annum for the chief executive officer and £280,000 per annum for the chief financial officer.
	Performance measures
	None.
Not pensionable.	

Annual bonus

Purpose and link to strategy:

To incentivise performance against selected financial and operational KPIs that are directly linked to business strategy. Deferral of part of bonus into shares aligns the interests of executive directors and shareholders.

Operation	Maximum opportunity
Until an executive director has met their shareholding requirement, at least 50% of any bonus earned will be deferred into company shares under the Deferred Bonus Plan (DBP) for a period of at least three years. Once an executive director has met their shareholding requirement, at least 25% of any bonus earned will be deferred under the DBP.	For directors in receipt of AMP8 allowance: 100% of salary. For directors not in receipt of AMP8 allowance: 150% of salary.
	Performance measures
Dividends or dividend equivalents accrue during the DBP deferral period and are paid upon vesting.	Payment of any bonus is subject to meeting the standards set out in Ofwat's performance-related pay prohibition rule and the achievement of stretching performance objectives.
Not pensionable.	Payments are predominantly based on financial and operational performance, including customer and environmental performance, with the possibility of a minority to be based on achievement of personal objectives if determined by the committee.
Bonuses and DBP shares are subject to withholding and recovery provisions, details of which are included as a note to this policy table.	Targets and weightings set by reference to the company's financial and operating plans.
	Bonus outcomes are subject to the committee being satisfied that the company's performance on the measures is consistent with underlying business performance and individual contributions.
	The committee will exercise discretion on bonus outcomes if it deems necessary.
	100% of maximum bonus potential for stretch performance; up to 50% of maximum for target performance; and up to 25% of maximum for threshold performance. No payout for below-threshold performance.

Directors' remuneration policy

Long Term Plan (LTP)

Purpose and link to strategy:

To incentivise long-term value creation and alignment with the long-term interests of shareholders, customers, and other stakeholders.

Operation	Maximum opportunity
Awards under the LTP are rights to receive company shares, subject to certain performance conditions.	For directors in receipt of AMP8 allowance: 175% of salary.
Each award is measured over at least a three-year performance period.	For directors not in receipt of AMP8 allowance: 300% of salary.
An additional holding period applies after the end of the three-year performance period so that the total vesting and holding period is at least five years.	Performance measures
Dividends or dividend equivalents accrue until awards are released to participants, to the extent that such awards vest for performance.	The two performance conditions are return on regulated equity and a basket of customer and environmental measures. The weighting of each of these two components is 50%.
Shares under the LTP are subject to withholding and recovery provisions, details of which are included as a note to this policy table.	Any vesting is subject to the delivery of the dividend policy applicable to each year of the respective performance period, and the committee being satisfied that the company's performance on these measures is consistent with underlying business performance. The committee will exercise discretion on LTP outcomes if it deems it necessary. LTP vesting outcomes are subject to Ofwat's performance-related executive pay prohibition rule.
	The committee has discretion to set alternative performance measures and/or weightings for future awards but will consult with major shareholders before making any material changes to the currently applied measures and/or weightings.
	100% of awards vest for stretch performance and up to 25% of awards vest for threshold performance. No awards vest for below-threshold performance.

Shareholding requirements

Purpose and link to strategy:

The committee believes that it is important for each executive director to build and maintain a meaningful investment in shares of the company to provide alignment with shareholder interests during and after employment.

Operation	Maximum opportunity
Executive directors are expected to reach an in-post shareholding requirement of 250% of salary, (or aligned to the ongoing LTP opportunity, if higher), normally within five years of appointment.	None.
The following post-employment shareholding requirements apply in the event of an executive director leaving the company:	Performance measures
<ul style="list-style-type: none"> Executive directors must continue to hold the lower of the in-post shareholding requirement or their actual shareholding on departure, for two years after ceasing employment with the group. Executive directors must retain shares vesting (net of tax) from all share awards (including in-flight awards) if not doing so would take their shareholding below the requirement. 	None.
Nominee accounts are used to enable the post-employment shareholding requirements to be robustly enforced.	

Non-executive directors' fees and benefits

Purpose and link to strategy:

To attract non-executive directors with a broad range of experience and skills to oversee the development and implementation of our strategy.

Operation	Maximum opportunity
The remuneration policy for the non-executive directors (with the exception of the Chair) is set by a separate committee of the board. The policy for the Chair is determined by the remuneration committee (of which the Chair is not a member).	Current fee levels are shown in the annual report on remuneration.
Fees are reviewed annually taking into account the salary increase for the general workforce and the levels of fees paid by companies of a similar size and complexity. Additional fees may be paid in relation to extra responsibilities undertaken, such as for chairing certain board sub-committees, undertaking the role of senior independent non-executive director or other roles where an additional time-commitment is required.	The value of benefits may vary from year to year, according to the cost to the company.
In exceptional circumstances, if there is a temporary yet material increase in the time commitments for non-executive directors, the board may pay extra fees on a pro rata basis to recognise the additional workload.	Performance measures
No eligibility for bonuses, long-term incentive plans, pension schemes, healthcare arrangements or colleague share schemes.	Non-executive directors are not eligible to participate in any performance-related arrangements.
The company repays any reasonable expenses that a non-executive director incurs in carrying out their duties as a director, including travel, hospitality-related and may provide other modest benefits (including covering any tax liabilities thereon), if appropriate.	

Notes to the policy table

Selection of performance measures and targets

Performance measures for the annual bonus are selected annually to align with the company's key strategic goals for the year and reflect financial, operational and, where relevant, personal objectives. 'Target' ranges are set taking into account the business plan for the year, (following rigorous debate and approval of the plan by the board) and other relevant factors (including relative sector performance, customer priorities and regulatory expectations).

Only modest rewards are available for delivering threshold performance levels, with rewards at stretch normally requiring substantial outperformance. Details of the current measures used for the annual bonus are given in the annual report on remuneration.

The LTP structure (as shown in the table on the right) was set by the committee to align with the company's key strategic goals, customer priorities and the creation of long-term shareholder value. No changes are proposed to the current structure and it will remain linked to stretching delivery for customers, communities, shareholders and the environment.

The policy provides for committee discretion to alter the LTP measures and weightings to ensure they continue to facilitate an appropriate measurement of performance over the life of the policy (taking into account any evolution of the strategic goals of the company and to reflect customer and regulatory priorities). LTP targets are set taking into account a number of factors, including reference to market practice, the company business plan and analysts' forecasts where relevant. The LTP will only vest in full if stretching business performance is achieved.

Flexibility, discretion and judgement

The committee will operate the company's incentive plans according to their respective rules and consistent with normal market practice, the Listing Rules and HMRC rules where relevant, including flexibility in a number of regards.

These include making awards and setting performance criteria each year, dealing with leavers, and adjustments to awards and performance criteria following acquisitions, disposals, changes in share capital and to take account of the impact of other merger and acquisition activity.

The committee retains discretion within the policy to adjust the targets, set different measures and/or alter weightings for the annual bonus and LTP and can, in exceptional circumstances, under the rules of these plans adjust performance conditions to ensure that the awards fulfil their original purposes (for example, if an external benchmark or measure is no longer available). All assessments of performance are ultimately subject to the committee's judgement.

When determining performance pay outcomes for executives, in addition to reviewing performance against the specified measures, the committee will consider other factors, including legal and regulatory requirements, the overall pay

Long Term Plan structure

	What is it?	Key reasons for selection
Basket of customer and environmental measures	<ul style="list-style-type: none"> A basket of customer measures such as operational, service, resilience, community, and environmental measures to capture the delivery of performance for customers and the environment. Customer priorities are reflected in the measures selected. 	<ul style="list-style-type: none"> Customers will benefit from improvements in key performance areas of importance to them, and from long-term reliability in the quality of their water supplies, and ways of working that protect and improve the environment. Investors will be impacted by financial rewards resulting from delivery on service commitments, and through investments made to ensure the long-term health and sustainability of our assets.
Return on regulated equity (RoRE)	<ul style="list-style-type: none"> RoRE is the return that the company is expected to earn relative to the equity portion of its Regulatory Capital Value. The return is comprehensive in that it is composed of the company's performance on expenditure, investment and financing decisions, and operational and customer initiatives undertaken over the regulatory period. 	<ul style="list-style-type: none"> Directly linked to the allowable return set by the regulator, and is comparable across the sector. Captures financial, operational and customer performance. Outperformance will result in an increase to RoRE which should translate into higher returns for investors through share price performance. Outperformance also benefits customers through strong delivery against stretching performance commitments, efficiencies in the capital investment programme and lower long-term financing costs.

outcome delivered and the extent to which the formulaic outturns are aligned with the experience of stakeholders. Full details of this assessment and the rationale for any discretion exercised will be disclosed in the annual remuneration report.

Recovery and withholding

Cash bonuses and shares granted under the DBP and LTP are subject to withholding (malus) and recovery (clawback) provisions in cases of: material misstatement of audited financial results; an error in the calculation; gross misconduct; serious reputational damage; serious failure of risk management; corporate failure; or other circumstances that the committee may determine.

These provisions may be invoked at the committee's discretion at any time within two years of the payment of a cash bonus (in respect of the annual bonus), at any time within three years of a deferred bonus award being granted (in respect of the deferred bonus), or within two years following the date on which the committee has determined that the performance targets have been satisfied for an LTP award (in respect of the LTP).

In addition, the committee has the authority to prohibit the payment of performance-related pay (cash bonuses and shares granted under the DBP and LTP) if the company has failed any of the required standards set out in Ofwat's performance-related executive pay

prohibition rule. This includes the ability in relation to a breach of the required standards, to withhold deferred pay and to claw back performance-related pay for a period of three years following the payment of a cash bonus, the granting of a DBP award, or the vesting date of an LTP award.

The committee considers that the time periods for the recovery and withholding provisions are appropriate in the context of United Utilities' business operations.

Alignment of executive director remuneration with the wider workforce

The remuneration approach is consistently applied at levels below the executive directors. Key features include:

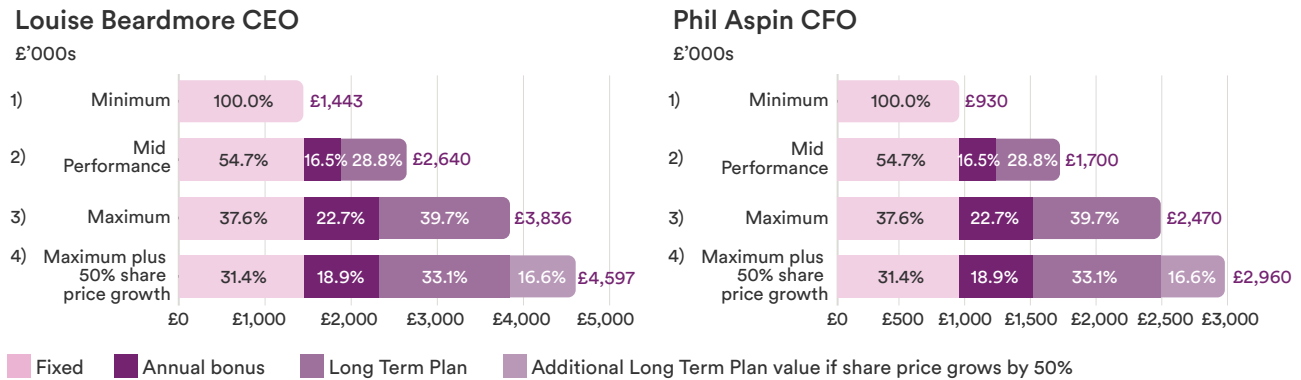
- market competitive levels of remuneration, incentives and benefits to attract and retain colleagues;
- colleagues at all levels participate in a bonus scheme with the same corporate performance measures as for executive directors; and
- all colleagues have the opportunity to participate in the HMRC-approved share incentive plan, ShareBuy.

At senior levels, remuneration is increasingly long term, and 'at risk' with an increased emphasis on performance-related pay and share-based remuneration.

Directors' remuneration policy

Scenarios for total remuneration

The charts below show the illustrative pay-outs under the remuneration policy for each current executive director under four different scenarios.



In order for 'Maximum' and 'Maximum plus 50% share price growth' scenarios to be achieved, the company will need to have met or exceeded all of the performance targets in the annual bonus and LTP and for there to have been no breach of the required standards under Ofwat's performance-related executive pay prohibition rule in the performance year (for the bonus) or the three preceding performance years for the LTP. Due to the stretching nature of the targets, this would represent truly exceptional performance.

Notes on the scenario methodology:

- 'Minimum' is base salary as at 1 April 2026 plus the applicable pension contribution/cash allowance, the value of benefits as shown in the single total figure of remuneration table for 2025/26 and the AMP8 allowance which would take effect in 2026/27 if approved by shareholders at the 2026 AGM;
- 'Mid-performance' is the level of performance required for the annual bonus and LTP to pay out at 50% of maximum;
- 'Maximum' performance would result in 100% vesting of the annual bonus and LTP (assumed to be 275% of salary in total);
- 'Maximum performance plus 50% share price growth' shows maximum performance plus the impact on the LTP of a hypothetical 50% increase in the share price;
- Annual bonus includes amounts compulsorily deferred into shares;
- LTP is measured at face value, i.e. no assumption for dividends or changes in share price (except in the fourth scenario); and
- Amounts relating to all-colleague share schemes have, for simplicity, been excluded from the charts.

External directorships

The company recognises that its executive directors may be invited to become non-executive directors of other companies outside the company and exposure to such non-executive duties can broaden experience and knowledge, which would be of benefit to

the company. Any external appointments are subject to board approval (which would not be given if the proposed appointment was with a competing company, would lead to a material conflict of interest or could have a detrimental effect on a director's performance). Directors will be allowed to retain any fees received in respect of such appointments.

Service contracts and letters of appointment

Copies of executive directors' service contracts and non-executive directors' letters of appointment are available for inspection at the company's registered office during normal hours of business and will be available at the company's AGM. Copies of non-executive directors' letters of appointment can also be viewed on the company's website.

The notice period in the service contracts for executive directors appointed on or after 1 May 2022 is one year. For executive directors appointed prior to 1 May 2022 the notice period is up to one year when terminated by the company and at least six months' notice when terminated by the director. The policy on payments for loss of office is set out in the next section.

The Chair and other non-executive directors have letters of appointment rather than service contracts. Their appointments may be terminated without compensation at any time. All non-executive directors are subject to re-election at each AGM.

Date of service contracts

Executive directors	Date of service contract
Louise Beardmore	1.4.23
Phil Aspin	24.7.20

Approach to recruitment remuneration

The remuneration package for a new executive director would be set in accordance with the terms of the company's approved remuneration policy in force at the time of appointment.

Buy-out awards

The committee may offer additional cash and/or share-based elements (on a one-time basis or ongoing) when it considers these to be in the best interests of the company (and therefore shareholders). Any such payments would be limited to a reasonable estimate of value of remuneration lost when leaving the former employer and would normally reflect the delivery mechanism (i.e. cash and/or share-based), time horizons and whether performance requirements are attached to that remuneration. Shareholders will be informed of any such payments at the time of appointment.

Maximum level of performance-related pay

The maximum performance-related pay opportunity for a new director will be aligned with the limits set out in the policy table. Namely, 275% of salary for a director in receipt of the AMP8 allowance or 450% of salary for a director not receiving the AMP8 allowance. These limits are in addition to the value of any buy-out arrangements which are governed by the policy above.

In the case of an internal appointment, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other previously awarded entitlements would continue, and be disclosed in the next annual report on remuneration.

Base salary and relocation expenses

Base salary levels for new executive directors will be set in accordance with the policy, taking into account the experience of the individual recruited and the market rate for the role. The committee has the flexibility to set the salary of a new appointee at a discount to the market level initially, with increases implemented over the following years to bring the salary to the appropriate market position, subject to individual performance in the role. The committee may agree that the company will meet certain relocation and/or incidental expenses as appropriate.

Annual bonus performance conditions

Where a new executive director is appointed part way through a financial year, the committee may set different annual bonus measures and targets for the new executive director from those used for other executive directors (for the initial part-year only).

Appointment of non-executive directors

For the appointment of a new Chair or non-executive director, the fee arrangement would be set in accordance with the approved remuneration policy in force at that time. Non-executive directors' fees are set by a separate committee of the board; the Chair's fees are set by the remuneration committee.

Payment for loss of office

The circumstances of the termination, including the individual's performance and an individual's duty and opportunity to mitigate losses, are taken into account in every case. Our policy is to stop or reduce compensatory payments to former executive directors to the extent that they receive remuneration from other employment during the compensation period. A robust line on reducing compensation is applied and payments to departing executive directors may be phased to mitigate loss. Our policy is shown in the table below:

Provision	Summary terms
Compensation for loss of office	<ul style="list-style-type: none"> An executive director's service contract may be terminated without notice and without any further payment or compensation, except for sums earned up to the date of termination, on the occurrence of certain contractually specified events such as gross misconduct. No termination payment if full notice is worked. Otherwise, a payment in respect of the period of notice not worked of basic salary, plus pension and green travel allowance for that period. Half of the termination payment will be paid within 14 days of date of termination. The other half will be paid in monthly instalments over what would have been the second half of the notice period. This will be reduced by the value of any salary, pension contribution and green travel allowance earned in new paid employment in that period.
Treatment of annual bonus on termination	<ul style="list-style-type: none"> Normally, eligibility for any bonus payment will be forfeited where the annual performance period has not yet been completed. However, in certain circumstances, such as death, disability, mutually agreed retirement or other circumstances at the discretion of the committee, a time pro-rated bonus may be payable for the period of active service. There is no automatic entitlement to payments under the bonus scheme. Any payment is at the discretion of the committee and is subject to withholding and recovery provisions as detailed in the policy table. Performance targets would apply in all circumstances. If it is not possible for legal reasons to grant a deferred share award (for example, if the director is no longer employed by the company at the point of payment), the committee will seek to effect the normal deferred element in the form of a deferred cash award, but may ultimately use its discretion to pay the bonus wholly in cash.
Treatment of deferred bonus on termination	<ul style="list-style-type: none"> Determined on the basis of the relevant plan rules. Full details can be found on the company's website. The default treatment is that any outstanding awards will vest in full on the originally intended vesting date with no time pro-rating applying. Deferred bonuses are subject to withholding and recovery provisions as detailed in the policy table.
Treatment of unvested long-term incentives on termination	<ul style="list-style-type: none"> Determined on the basis of the relevant plan rules. Full details can be found on the company's website. Normally, any outstanding awards where the performance period has not yet been completed will lapse on date of cessation of employment (awards which are in a holding period following the completion of the performance period will not lapse). However, under the rules of the plan, in certain prescribed circumstances, such as death, ill health, injury, disability, or other circumstances at the discretion of the committee, 'good leaver' status can be applied. In these circumstances, a participant's awards vest on a time prorated basis subject to the satisfaction of relevant performance criteria, with the balance of awards lapsing. The committee retains discretion to lapse a good leaver's outstanding awards in some circumstances, for example, should they take up comparable employment with another company after leaving, without the consent of the committee. The committee retains the discretion not to time pro-rate if it is inappropriate to do so in particular circumstances. The committee will take into account the individual's performance and the reasons for their departure when determining whether 'good leaver' status can be applied.
Treatment of AMP8 allowance on termination	<ul style="list-style-type: none"> Shares received under the AMP8 allowance will be retained on cessation of employment, with any applicable holding period continuing to apply. Normally, no further payments will be made under the AMP8 allowance upon giving or receipt of notice, save in exceptional circumstances at the discretion of the committee.
Treatment of pensions on termination	<ul style="list-style-type: none"> On redundancy, an augmentation may apply in relation to benefits accrued under a United Utilities defined benefit pension scheme, in line with the trust deed and rules of the appropriate section.

Outplacement services, reimbursement of legal costs and any other incidental expenses may be provided where appropriate. Any statutory entitlements or compromise claims in connection with a termination of employment would be paid as necessary. Outstanding savings/shares under all-employee share plans would be transferred in accordance with the terms of the plans as approved by HMRC.

Change of control

On a change of control, executive directors' incentive awards will be treated in accordance with the rules of the applicable plans. In summary:

- Bonus payments will take into account the extent to which the performance measures have been satisfied between the start of the performance period and the date of the change of control, and the value will typically be pro-rated to reflect the same period. Any such payments would normally be paid entirely in cash.
- Deferred bonuses will generally vest on the date of a change of control. Awards may alternatively be exchanged for new equivalent awards in the acquirer, where appropriate.
- Long Term Plan awards will generally vest on the date of a change of control taking into account the extent to which the committee assesses that any performance condition has been satisfied at that point. Time prorating will normally apply unless the committee determines otherwise. Awards may alternatively be exchanged for new equivalent awards in the acquirer, where appropriate.
- The AMP8 allowance will continue in the event that a change of control is proposed, with the committee having discretion to determine whether it will be paid in cash or shares, the timing of any payment, and whether it may be pro-rated. The holding period in relation to any shares acquired pursuant to the AMP8 allowance prior to the change of control will end at or shortly prior to the change of control so that these shares can be sold under the change of control. The AMP8 allowance may alternatively be exchanged for a new equivalent allowance paid in shares in the acquirer, where appropriate.

Annual report on remuneration

Single total figure of remuneration for executive directors (audited information)⁽¹⁾

Year ended	Fixed pay								Performance-related pay							
	Base salary		Pension		Benefits		Subtotal		Annual bonus		Long-term incentives		Subtotal		Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
31 March	2026	2025	2026	2025	2026	2025	2026	2025	2026 ⁽²⁾	2025 ⁽³⁾	2026 ⁽⁴⁾	2025 ⁽⁵⁾	2026	2025	2026 ⁽⁶⁾	2025
Louise Beardmore	834	716	103	89	34	34	971	839	830	–	712	567	1,542	567	2,513	1,406
Phil Aspin	537	462	64	55	23	23	624	540	535	–	459	544	994	544	1,618	1,084

⁽¹⁾ Covers the entirety of remuneration received for all activity on behalf of the Group.

⁽²⁾ Annual bonus outcomes for the year are provisional. See details below.

⁽³⁾ The annual bonus values presented for 2025 reflect the committee's subsequent consideration of Ofwat's performance-related executive pay prohibition rule that was published in June 2025 after the approval of the 2025 integrated annual report. This reflects that the annual bonuses the executive directors would have otherwise been due to receive in relation to 2024/25, and which were provisionally set out in that report, were not paid.

⁽⁴⁾ This relates to the 2023 Long Term Plan (LTP) award which vests in 2026. The amount is provisional as the vesting percentage for the customer and environmental measures will not be known until later in 2026 and the awards will not vest until the end of an additional holding period. The value of LTP awards has been calculated using an average share price over the three-month period from 1 January 2026 to 31 March 2026 of 1,289.8 pence per share.

⁽⁵⁾ This relates to the 2022 Long Term Plan (LTP) award which vested in 2025. The figure stated in last year's report was estimated, but was subsequently confirmed at 73.1%. The awards for Louise Beardmore and Phil Aspin will not vest until the end of an additional holding period. Dividend equivalents accrued to 31 March 2026 have been added, and the value of the awards have been calculated using an average share price over the three-month period from 1 January 2026 to 31 March 2026 of 1,289.8 pence per share.

⁽⁶⁾ None of the remuneration received by the executive directors will be funded by customers.

Performance-related pay in 2025/26

Annual bonus in respect of the financial year ended 31 March 2026 (audited information)

The maximum annual bonus opportunity for each executive director in 2025/26 was 130% of base salary, with Threshold and Target performance paying 25% and 50% of maximum respectively under each performance measure. The 2025/26 annual bonus was based on a range of financial, operational, customer and environmental measures reflecting our business strategy. Full details of why each measure was chosen, the targets set and why these were considered stretching, as well as actual/provisional performance outcomes are set out on pages 150 to 151. In summary:

Measure category	Overall weighting	Provisional/Actual outcome as a % of maximum	
		Provisional/Actual outcome	Provisional/Actual outcome
Financial performance	25.0%	100%	25.0%
Reducing pollution and enhancing outcomes for customers and the environment	20.0%	81.3%	16.2%
Improving water quality and minimising leakage and interruptions to supply	20.0%	33.0%	6.6%
Improving customer service	10.0%	37.5%	3.8%
Delivering our capital programme efficiently	15.0%	100%	15.0%
Looking after our people	10.0%	100%	10.0%
Provisional overall outcome (% of maximum)		76.6%	76.6%
		Louise Beardmore	Phil Aspin
Maximum bonus (% of salary)		130.0%	130.0%
Provisional bonus (% of salary)		99.6%	99.6%
Provisional bonus (£'000 – shown in single figure table)⁽¹⁾		830	535

⁽¹⁾ A proportion of the annual bonus will be deferred for three years in line with policy.

As outlined in the chair's statement (see page 141), the committee believes that the executive directors will be permitted to receive bonus payments because Ofwat's PRP rule has not been breached. The final ranking position for BR-MeX is provisional pending formal confirmation from Ofwat, which is expected by the end of May 2026. As such the bonus scorecard outcome has been provisionally calculated using our best estimate of performance for this measure, and if the final ranking is different and this impacts on the overall bonus outcomes, they will be updated in next year's report. Based on its assessment, the committee believes that the provisional formulaic outcome is aligned with overall performance and the experience of stakeholders, including customers and the environment, and therefore no discretion will be applied. No bonuses will be paid to the executive directors until the final ranking position for BR-MeX is confirmed.

2023 Long Term Plan (LTP) awards with a performance period ended 31 March 2026 (audited information)

The 2023 LTP awards were granted before 1 April 2024 and are not subject to Ofwat's performance-related executive pay prohibition rule. Vesting of these awards is based 50% on RoRE and 50% on a basket of customer and environmental measures. Full details of why each measure was chosen, the targets set and why these were considered stretching, as well as actual performance outcomes are set out on page 152. In summary:

Measure category	Overall weighting	Provisional/Actual vesting as a % of maximum	
		Provisional/Actual outcome	Provisional/Actual outcome
Return on regulated equity (RoRE)	50.0%	69.3%	34.6%
Basket of customer and environmental measures	50.0%	53.1%	26.6%
Overall underpin			✓ Assumed met
Overall vesting is subject to the committee being satisfied that the company's outcome performance on these measures is consistent with underlying business performance and that the company's dividend policy has been delivered in respect of each financial year of the performance period.			
			61.2%

	Louise Beardmore	Phil Aspin
Number of shares granted	80,847	52,140
Number of dividend equivalent shares	9,330	6,016
Number of shares before performance conditions applied	90,177	58,156
Estimated number of shares after performance conditions applied	55,188	35,591
Three-month average share price at end of performance period (pence) ⁽¹⁾	1,289.8	1,289.8
Provisional value (£'000 – shown in single figure table)⁽²⁾	712	459

⁽¹⁾ Average share price over three-month period from 1 January 2026 to 31 March 2026.

⁽²⁾ 16.25% of the value vesting is attributable to share price appreciation, which equates to £99,504 for Louise Beardmore and £64,171 for Phil Aspin.

The company's dividend policy has been delivered in respect of each financial year of the performance period. Details of the committee's preliminary assessment on the alignment of the vesting outcome to the underlying performance of the business is set out in the chair's statement. The committee will make a final assessment of the company's performance once the final outcome of all measures is known later in the year and will reconsider whether any discretion should be applied at that point. The value of the awards will be updated, if necessary, in next year's report. The awards will vest after an additional holding period, which ends no earlier than five years from the date of grant.

2025 LTP awards with a performance period ending 31 March 2028 (audited information)

The table below provides details of share awards made to executive directors on 5 December 2025 in respect of the 2025 LTP:

Executive director	Type of award	Basis of award	Face value of award ⁽¹⁾ (£'000)	Number of shares under award	% vesting at threshold	End of performance period ⁽²⁾
Louise Beardmore	Conditional shares	200% of salary	£1,740	141,486	25%	31.03.28
Phil Aspin	Conditional shares	200% of salary	£1,120	91,071	25%	31.03.28

⁽¹⁾ Face value calculated using the average share price from the five days preceding the grant date, which was 1,229.8 pence per share.

⁽²⁾ An additional holding period applies after the end of the performance period such that the combined vesting and holding period is at least five years.

As per the policy, the structure of the 2025 LTP awards for the three-year performance period was 50% related to return on regulated equity (RoRE) and 50% related to a basket of customer and environmental measures.

Details about the measures, targets and underpins were published on the company website at the point of grant and are summarised in the table below.

Measure	Targets ⁽¹⁾		Weighting
	Threshold (25% vesting)	Stretch (100% vesting)	
Return on regulated equity (RoRE)⁽²⁾			
RoRE	Equal to the average of Ofwat's allowed RoRE over the three years of the performance period	2.0% (or more) above the average of Ofwat's allowed RoRE over the three years of the performance period	50.0%
Basket of customer, community and environmental measures⁽³⁾			
Price control deliverables (PCDs) ⁽⁴⁾	90.0% of in-flight PCDs on track versus the phased milestones agreed with relevant regulators for AMP8	100% of in-flight PCDs on track versus the phased milestones agreed with relevant regulators for AMP8	20.0%
Priority Services ⁽⁵⁾	19.0% of our customers are listed on the Priority Services Register	20.0% (or more) of our customers are listed on the Priority Services Register	10.0%
Carbon reduction ⁽⁵⁾	23.0% of the energy used by United Utilities Group PLC is generated from low-carbon sources	25.0% (or more) of the energy used by United Utilities Group PLC is generated from low-carbon sources	10.0%
Social Value ⁽⁶⁾	United Utilities Group PLC generates £10 million of Social Value during the performance period	United Utilities Group PLC generates £12 million (or more) of Social Value during the performance period	10.0%
Total			100%

Overall underpin

Overall vesting is subject to the committee being satisfied that the company's performance on these measures is consistent with underlying business performance and that the company's dividend policy has been delivered in respect of each financial year of the performance period.

⁽¹⁾ Straight-line vesting applies between the threshold and stretch targets, with nil vesting below threshold performance.

⁽²⁾ Targets for RoRE reflect the known impact in the first year of the performance period (2025/26) of the planned investment above the final determination totex allowance for AMP8.

⁽³⁾ The basket of customer and environmental measures will be based on the performance commitment definitions as per the AMP8 final determination.

⁽⁴⁾ Price control deliverables (PCDs) are specific delivery expectations on water companies set out by Ofwat in relation to AMP8.

⁽⁵⁾ Based on performance in respect of the financial year ending 31 March 2028 as published in the United Utilities Group PLC integrated annual report and/or United Utilities Water Limited annual performance report for 2027/28.

⁽⁶⁾ Subject to external verification/external assurance.

Annual report on remuneration

Remuneration in 2026/27

The performance measures used in our performance-related pay schemes during 2026/27 will remain closely aligned with our strategic priorities, and focused on delivery for our stakeholders. As in recent years, across both of our incentive schemes there will be a material weighting linked to delivery for customers and on measures that relate to our environmental performance.

As always, the committee has the discretion to override formulaic incentive outcomes by exercising discretion on outcomes if deemed necessary, including by taking account of overall performance through our various stakeholder lenses. As stated on page 143, all pay received by the executive directors, including any performance-related pay outcomes, will not be paid for by customers.


































Fixed pay in 2026/27

As set out on page 142, following the correctional increases in 2025 Louise Beardmore and Phil Aspin have base salaries of £870,000 and £560,000 respectively. A decision on salary increases for 2026 will be taken later in the year and disclosed in next year's report. If salary increases are applied they will be no higher than the workforce increase. No change is expected to pension provisions or other benefits.

Subject to shareholder approval at the 2026 AGM, the first instalment of the AMP8 allowance are expected to be made in August 2026 with the second instalments expected in February 2027.

Annual bonus for 2026/27

As is outlined on pages 146 to 147, the measures used in our annual 2025/26 bonus arrangements for executive directors demonstrated significant alignment to stakeholder interests, and we will use the same measures in 2026/27, with a small change to the operation of the serious pollution incidents measure. We remain satisfied that the balanced scorecard supports our purpose of building a stronger, greener and healthier North West. Overall, 75% of the annual bonus remains based on delivery for customers and the environment, and almost half of the overall bonus (around 45%) is based on measures linked to reducing pollution, storm overflow spills, or other aspects of environmental performance. The maximum bonus opportunity for the year commencing 1 April 2026 will be 100% of base salary based on the directors' remuneration policy being proposed at the 2026 AGM. The table below summarises the measures and weightings we will use, and how they align to stakeholders. The targets are closely linked to our strategy and so are considered commercially sensitive and will therefore be disclosed retrospectively in the 2026/27 annual report on remuneration.

	Weighting (% of award)	Link to strategic priorities/ different stakeholders
Underlying operating profit	25.0%	 
Reducing pollution and enhancing customer and environmental outcomes		   
Serious pollution incidents	5.0%	
Sewer flooding	5.0%	   
Storm overflow activations (reduction in number of spills)	5.0%	
Storm overflow programme (milestone delivery)	5.0%	
Improving water quality and minimising leakage and interruptions to supply		   
Leakage	5.0%	
Supply interruptions	5.0%	   
Water quality contacts (due to appearance)	5.0%	
Per capita consumption	5.0%	
Improving customer service		
C-MeX contactor ranking (service for domestic customers)	5.0%	
BR-MeX ranking (service for businesses)	5.0%	  
Delivering our capital programme efficiently		   
Capital programme delivery incentive (CPDi)	15.0%	    
Looking after our people		
Health and safety: colleague lost time injury frequency rate	10.0%	 
Total	100%	

The executive directors will be required to defer a proportion of any bonus received into shares and these will only become available after a period of three years in line with policy. This provides the committee with time to consider and respond appropriately to any matters that were not known at the end of the relevant performance period but become apparent during the deferral period. This could include the use of the withholding and recovery provisions.

2026 LTP awards (performance period ending 31 March 2029)

Consistent with the approach in recent years, we expect the awards to be based on return on regulated equity and a basket of customer and environmental measures, with each component being equally weighted at 50%, and the performance period for the awards will be 1 April 2026 to 31 March 2029. The committee has decided to wait until after the new directors' remuneration policy has been approved by shareholders at the 2026 AGM to grant the awards, to take account of any feedback that may arise. If the policy is approved as proposed, the 2026 LTP awards for the executive directors will be worth 175% of base salary, and the performance measures and targets will be disclosed at the time of grant.

CEO pay ratios

The table below sets out the ratio of the CEO's pay to that of the 25th percentile (P25), median (P50) and 75th percentile (P75) full-time equivalent colleagues over the last seven years.

The ratios have been calculated in accordance with option A as set out in the regulations. This is considered to be the most accurate methodology and uses the same calculation basis as required for the CEO's total remuneration as shown in the single figure table on page 160. Full details of the methodology used are set out in the box on the right of this page.

When comparing this year to last year the ratios have increased, and this is explained by two key reasons. Firstly, Louise Beardmore did not receive an annual

bonus in 2024/25 in accordance with Ofwat's performance related executive pay prohibition rule (see page 141). The second reason is that whilst the base salary increase during the year for colleagues below the board was 4.5%, Louise received a larger, correctional salary increase as described on page 142. The committee is content that overall the ratios are appropriate and will continue to consider the pay ratios in the context of other important metrics such as colleague engagement levels and the gender pay gap.

How we calculated our pay ratios:

- We identified all colleagues who received base salary during the year and who were still employed on 31 March 2026.
- The calculations were carried out using their total pay and benefits received in respect of the year ended 31 March 2026, including bonuses earned by reference to performance in the financial year and paid in June following the end of the financial year.
- 'Base salary' includes standby pay, shift pay, overtime and on-call allowances.
- For colleagues who were employed on a part-time basis, or who were not employed for the full year, their remuneration has been annualised to reflect the full-time equivalent.
- No other estimates or adjustments have been used in the calculations and no other remuneration items have been omitted.

	2025/26	2024/25 ⁽¹⁾	2023/24	2022/23	2021/22	2020/21	2019/20
Methodology used	A	A	A	A	A	A	A
CEO	L Beardmore	L Beardmore	L Beardmore	S Mogford	S Mogford	S Mogford	S Mogford
Ratio of CEO single figure total remuneration:							
– To colleague at the 25th percentile (P25)	58:1	34:1	36:1	63:1	95:1	98:1	87:1
– To colleague at the 50th percentile (P50)	44:1	26:1	27:1	47:1	71:1	73:1	66:1
– To colleague at the 75th percentile (P75)	35:1	20:1	22:1	38:1	56:1	58:1	53:1

⁽¹⁾ The figures for 2024/25 have been updated to reflect that no bonus was paid for 2024/25 and the final vesting outcome, additional dividend equivalents and updated share price for Louise Beardmore's 2022 LTP.

Total pay and fixed pay for the UK employees at the 25th percentile, median and 75th percentile are set out in the table below.

	Colleague Pay (£'000)					
	25th percentile		Median		75th percentile	
	Total Pay	Salary	Total Pay	Salary	Total Pay	Salary
2025/26	43	37	57	47	73	61
2024/25	41	31	55	48	69	57
2023/24	39	33	53	41	66	53
2022/23	37	31	49	43	61	52
2021/22	35	32	46	39	59	47
2020/21	34	29	46	39	58	50
2019/20	33	30	44	38	56	44

Relative importance of spend on pay

The table below shows the relative importance of spend on pay compared to distributions to shareholders.

	2025/26	2024/25	%
	£m	£m	change
Dividends paid to shareholders	358	344	3.9%
Colleague costs ⁽¹⁾	493	410	20.4%

⁽¹⁾ Colleague costs includes wages and salaries, social security costs, and post-employment benefits, noting that employer national insurance increased from 13.8% to 15.0% with effect from April 2025 and headcount has also increased since last year. Had headcount remained the same, the percentage change to colleague costs would be 9.7%.

Annual report on remuneration

Cascade of remuneration through the organisation

Consistent with best practice, the remuneration committee spends considerable time on matters relating to remuneration arrangements in the wider organisation. Details of pay trends for the wider colleague base provide important context when making decisions regarding remuneration for the executive directors as well as ensuring that consistent approaches are being adopted across the organisation.

The table below summarises how remuneration compares across the different groups of colleagues throughout the company.

Colleague group (number of colleagues currently covered)	Element of pay	Policy	Implementation
Colleagues at all levels (around 7,350)	Salary	We want to attract and retain colleagues of the experience and quality required to deliver the company's strategy. Salaries are reviewed annually, with executive directors normally receiving a salary increase no greater than the increase awarded to the general workforce, unless there are circumstances requiring an alternative approach in which case the rationale will be clearly explained in the directors' remuneration report.	In 2025, the standard base salary increase for colleagues (below the board) was 4.5%. As a real Living Wage accredited employer, all our colleagues (except those on a training scheme such as apprentices) receive at least the voluntary real Living Wage rate.
	Health and wellbeing benefits	We want to create an environment that promotes healthy behaviours and ensures that colleagues have access to early and effective treatment, advice and information to improve their health and wellbeing.	Colleagues at all levels are eligible for company funded healthcare and an enhanced company sick-pay scheme, and a Virtual GP service is available for all colleagues and their families. All colleagues have free 24/7 access to our employee assistance programme, which provides counselling and support to them and their households. All colleagues can access discounted gym membership and a menopause support app. We have around 500 trained mental health first aiders who can listen to, and signpost colleagues to relevant wellbeing support. Financial wellbeing is a key focus, with financial education tools and awareness courses available for all colleagues covering a broad range of money management topics such as financial planning, managing debt and pensions.
	Flexible benefits	All colleagues have access to a variety of additional voluntary benefits to suit their lifestyle, including environmental benefits such as our electric car scheme and the opportunity to buy or sell annual leave. Colleagues can choose from a range of deals and discounts all year round, and can donate to their chosen charities directly from their pay if they want to.	Around half of the workforce take up at least one of our flexible benefit options.
	Pension	Almost all colleagues participate in our company pension arrangements, which have received the 'Pension Quality Mark Plus' accreditation in recognition of their high quality.	The company doubles any personal pension contributions made, up to a maximum of 14% of salary. As part of the pension scheme, colleagues receive company-funded life assurance and income protection.
	ShareBuy	Any colleague can become a shareholder in our company and share in our success by participating in our ShareBuy scheme. For every five shares purchased under the scheme, the company gives another one free.	Around half of the workforce participate in our ShareBuy scheme.
	Annual bonus – cash	Our bonus scheme provides a strong alignment to strategy throughout the organisation, with the same bonus scorecard applying at all levels.	Colleagues at all levels participate in the annual bonus scheme, receiving financial rewards based on the performance of the company and/or their personal contribution. Specific weightings and awards vary by level.
	CEO, CFO and executives (11)	Annual bonus – deferred shares	Deferral of part of bonus into shares aligns the interests of executives and shareholders.
CEO, CFO, executives and other senior leaders (around 90)	Long Term Plan (LTP)	To incentivise long-term value creation and alignment with the long-term interests of shareholders, customers, and other stakeholders.	Executives and other senior leaders may be invited to participate in the LTP. Performance conditions are the same for all participants but award sizes vary.
CEO, CFO and executives (11)	Shareholding	The committee believes that it is important for each executive to build and maintain a meaningful investment in shares of the company to provide alignment with shareholder interests.	All executives are subject to shareholding guidelines, aligning their interests with those of shareholders.

Supporting our colleagues' wellbeing

In recognition of the ongoing challenging financial environment, the company has continued to take action to support colleagues. Recognising our lowest paid colleagues, in November 2025 we increased the pay rates of around 200 colleagues in relation to the new real Living Wage rates that had been announced in October. While all Living Wage accredited employers had until May 2026, we decided to implement the new rates early.

In 2025 we agreed a two-year pay settlement with the trade unions meaning that around 5,200 collectively bargained colleagues received salary increases worth 4.5% from 1 April 2025. Increases of a similar value were also paid to colleagues who are not collectively bargained. In addition, the company provided all colleagues with an additional day's leave in the form of a wellbeing day, providing them with an opportunity to spend time with family and friends, or to focus on themselves. The certainty provided by the two-year pay settlement means collectively bargained colleagues have already received a further increase of 4.6% with effect from 1 April 2026 with the annual salary review processes for other colleagues due to take place later in the year.

The company provides holistic wellbeing support to colleagues, encouraging them to make use of the great range of benefits, tools and resources that are available. Some examples are shown below.

Physical wellbeing	<ul style="list-style-type: none"> • Our Virtual GP service enables colleagues and immediate family to get advice from a GP quickly and conveniently. • We have improved the support we offer in relation to the perimenopause, menopause and other hormone health matters. All colleagues continue to have access to an app that provides personalised expert content, and to a programme of training and education to support colleagues whether they are personally affected by the menopause or hormone health matters, or they know someone who is. • All colleagues can access discounted gym memberships and active discounts on sportswear and equipment at locations convenient to them across the North West. • All colleagues have been able to claim back the cost of a flu vaccination. • Members of our colleague healthcare scheme can claim back the cost of everyday healthcare items including support for hearing loss and eye tests • Our ability network has links with local disability charities and uses a company to ensure we provide reasonable adjustments for anyone with ability needs. • We delivered a number of wellbeing roadshows, ensuring colleagues across our five counties know what wellbeing support is available to them and how to access it.
Mental wellbeing	<ul style="list-style-type: none"> • All colleagues have access to our employee assistance programme. • We have a network of mental health first aiders providing support across the company. • Our senior leadership and executive teams are engaged with our wellbeing calendar and we have appointed a wellbeing sponsor and a mental health sponsor across the business. • We have partnered with the Hub of Hope for our colleagues and customers to be able to easily access mental health support services which are local and timely when it comes to gaining wellbeing support. • We have developed and run regular support groups around mental health, men's health and grief and bereavement.
Financial wellbeing	<ul style="list-style-type: none"> • Money management tips and tools from a range of trusted financial wellbeing providers help colleagues manage their money better, including the option to borrow responsibly in appropriate circumstances, alongside financial planning courses to suit colleagues at different stages of their careers. • We are a real Living Wage employer and commit to ensuring all our colleagues are able to maintain a wage that supports real cost of living. • We offer a ShareBuy scheme that provides an opportunity for colleagues to invest with incentives for medium to long-term shareholding. • Our discounts platform helps colleagues save money on everyday living costs. • Colleagues who are part of our early careers schemes are eligible for financial support with driving lessons and tests.

The committee is always mindful of the alignment of executive pay arrangements with those of the wider workforce and, as is demonstrated in the table on page 164, there is a high level of alignment and consistency of approach.

When reviewing salaries and assessing incentive outcomes for the executives, the committee takes account of how those elements of remuneration have been (or will be) applied across the wider workforce in respect of the same periods. At each of its scheduled meetings, the committee receives an update on notable matters affecting pay and benefits among the wider workforce since its previous meeting, and at least annually the committee formally reviews and discusses a report detailing all elements of the pay and benefits framework that applies to the workforce.

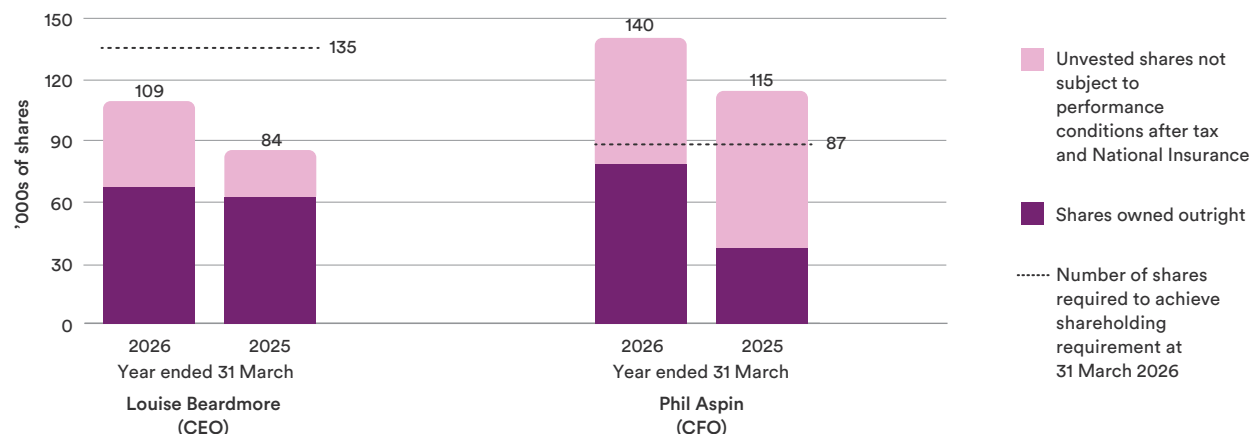
The committee has mechanisms through which it hears from and engages with the workforce on executive pay. Insights related to remuneration that arise via Liam Butterworth in his role as designated non-executive director for workforce engagement are fed back to the board, and a formal report is presented to the committee at least annually. The colleague voice panel provides valuable opportunities during the year for open discussions and feedback on a variety of topics including remuneration. See page 112 for further details. On invitation from Liam, the head of reward engages with the panel to provide an overview of relevant corporate governance and reporting requirements, summarise our executive remuneration approach and the role of the committee in setting executive remuneration, and discuss the alignment of our executive pay approach with the arrangements that apply across the wider workforce.

Annual report on remuneration

Executive directors' shareholding (audited information)

Details of beneficial interests in the company's ordinary shares as at 31 March 2026 held by each of the executive directors and their connected persons are set out in the charts below, along with progress against the target shareholding required under the current policy. Louise Beardmore is expected to reach the current shareholding requirement of 200% of salary by 1 April 2028 (within five years of her appointment as CEO). Phil Aspin continues to exceed the current shareholding requirement level of 200% of salary.

► Further details of the executive directors' shareholdings and share plan interests are given in the table below and in appendix 1 on page 170.



► Further details of the executive directors' shareholdings and share plan interests are given in the table below and in appendix 1 on page 170.

Director	Shareholding requirement (% of salary)	Number of shares required to meet shareholding requirement ⁽¹⁾	Number of shares owned outright (including connected persons)		Unvested shares not subject to performance conditions ⁽²⁾		Total shares counting towards shareholding requirements ⁽³⁾		Shareholding as % of base salary at 31 March	Shareholding requirement met at 31 March	Unvested shares subject to performance conditions ⁽⁴⁾	
			2026	2025	2026	2025	2026	2025			2026 ⁽⁵⁾	2026
Louise Beardmore ⁽⁵⁾	200%	134,905	67,307	61,679	78,213	42,759	108,774	84,358	161%	No	334,334	240,104
Phil Aspin ⁽⁵⁾	200%	86,835	76,920	36,979	119,572	146,988	140,308	114,899	323%	Yes	215,445	172,976

⁽¹⁾ Share price used is the average share price over the three months from 1 January 2026 to 31 March 2026 (1,289.8 pence per share).

⁽²⁾ Unvested shares subject to no further performance conditions such as matching shares under the ShareBuy scheme. Includes shares subject only to withholding provisions such as Deferred Bonus Plan shares in the three-year deferral period and Long Term Plan shares in the applicable holding period.

⁽³⁾ Includes unvested shares not subject to performance conditions (net of tax and National Insurance), plus the number of shares owned outright.

⁽⁴⁾ Includes unvested shares under the Long Term Plan.

⁽⁵⁾ In the period 1 April 2026 to 15 May 2026, additional shares were acquired by Louise Beardmore (25 shares) and Phil Aspin (25 shares) in respect of their monthly contributions to the all-employee ShareBuy scheme. Matching shares vest one year after grant provided the colleague remains employed. Additionally, Louise Beardmore and Phil Aspin each subscribed for a further 3,810 shares as part of the capital raising exercise (see page 107) with shares allotted on 5 May 2026.



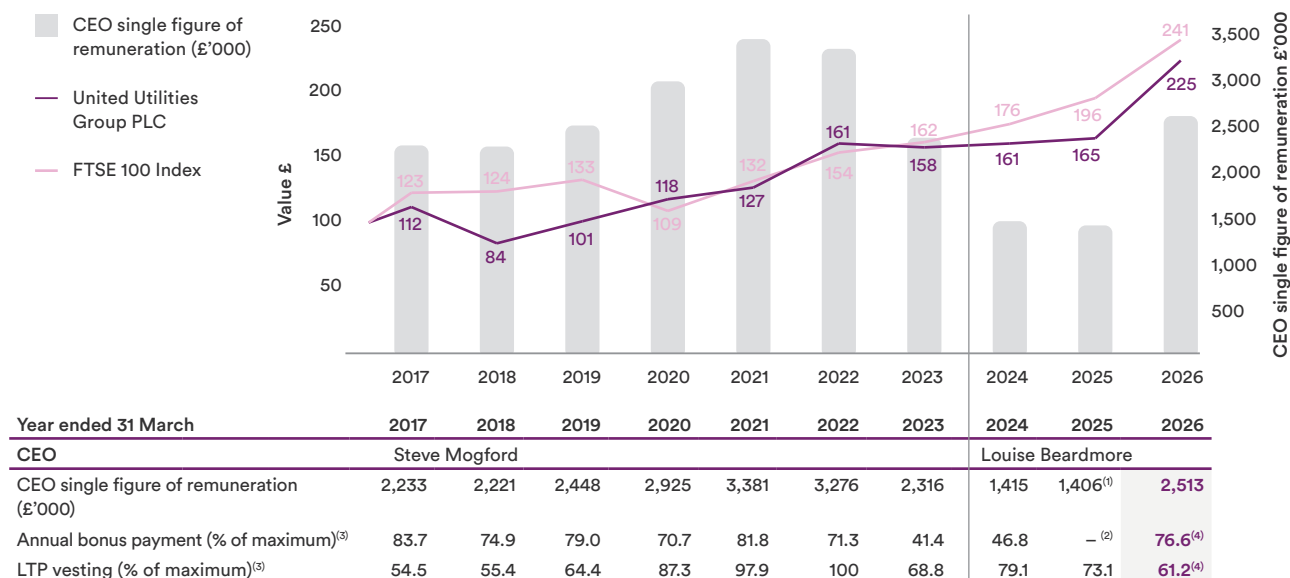
Other information

Company performance and CEO remuneration comparison

The total shareholder return (TSR) chart below illustrates the company's performance against the FTSE 100 over the past ten years.

The FTSE 100 is an appropriate comparator as the company is a member of the FTSE 100 and it is a widely published benchmark for this purpose. The chart shows the growth in the value of a hypothetical £100 holding invested in the company over the ten-year period.

The chart also shows the CEO's single total figure remuneration over the ten years ended 31 March 2026 for comparison. The table below the TSR chart shows the remuneration data for the CEO over the same period.



⁽¹⁾ This figure has been updated to reflect that no bonus was paid in 2024/25 and the payout for the 2022 LTP has been updated to reflect the additional dividend equivalents accruing on the award and updated share price. See page 160 for further details.

⁽²⁾ No bonus was payable in compliance with Ofwat's performance-related executive pay prohibition rule. The bonus that would have otherwise been due would have been 44.8% of maximum.

⁽³⁾ For performance periods ended on 31 March, unless otherwise stated.

⁽⁴⁾ The 2025/26 annual bonus and 2023 Long Term Plan vesting outcomes are provisional. See pages 160 and 161 for details.

Exit payments and payments to former directors made in the year (audited information)

There have been no exit payments or payments to former directors in respect of their roles as directors during the year ended 31 March 2026 other than the vesting of legacy share awards (see page 170).

External appointments

Phil Aspin was a board member of the UK Endorsement Board (UKEB) and chair of the organisation's Rate-regulated Activities Advisory Group during the year ended 31 March 2026, for which he received and retained an annual fee of around £18,000. He completed his second fixed term on 14 March 2026 and as required under the UKEB constitution, stepped down from the board.

Non-executive directors

Single total figure of remuneration for non-executive directors (audited information)

Year ended 31 March	Salary/fees £'000		Taxable benefits £'000		Total £'000	
	2026	2025	2026	2025	2026	2025
Sir David Higgins	353	337	–	–	353	337
Liam Butterworth	95	87	2	–	97	87
Kath Cates	95	91	1	–	96	91
Ian El-Mokadem ⁽¹⁾	67	n/a	2	n/a	69	n/a
Alison Goligher ⁽²⁾	86	97	10	12	96	109
Clare Hayward ⁽³⁾	80	74	9	9	89	83
Michael Lewis	80	77	4	6	85	83
Doug Webb ⁽⁴⁾	106	94	–	–	106	94
Marina Wyatt ⁽⁵⁾	47	n/a	2	n/a	49	n/a

⁽¹⁾ Ian El-Mokadem joined the board on 1 June 2025.

⁽²⁾ Alison Goligher stepped down as the senior independent non-executive director and chair of the compliance committee with effect from 18 July 2025 and ceased to receive the applicable additional fees from that date.

⁽³⁾ Clare Hayward joined the board on 16 April 2024.

⁽⁴⁾ Doug Webb was appointed as the senior independent non-executive director and chair of the compliance committee with effect from 18 July 2025 and received the applicable additional fees from that date.

⁽⁵⁾ Marina Wyatt joined the board on 1 October 2025.

Annual report on remuneration

Fees

Non-executive director base fees were reviewed and increased with effect from 1 July 2025 as shown below. Base fees and additional fees for the senior independent non-executive director and the chairs of committees were increased by around 4.5%, which was broadly in line with the increase applying to the general workforce in 2025.

Role	Fees £'000	
	1 July 2025	1 July 2024
Base fee: Chair ⁽¹⁾	356.4	341.0
Base fee: other non-executive directors ⁽²⁾	81.1	77.6
Senior independent non-executive director ⁽²⁾	15.0	14.3
Chair of audit and treasury committees ⁽²⁾	17.8	17.0
Chair of remuneration committee ⁽²⁾	15.0	14.3
Chair of ESG committee ⁽²⁾	15.0	14.3
Chair of compliance committee ⁽²⁾	6.3	6.0

⁽¹⁾ Approved by the remuneration committee.

⁽²⁾ Approved by a separate committee of the board.

Non-executive directors' shareholdings (audited information)

Details of beneficial interests in the company's ordinary shares as at 31 March 2026 held by each of the non-executive directors and their connected persons are set out in the table below.

Non-executive directors	Date first appointed to the board	Number of shares owned outright (including connected persons) at 31 March 2026
Sir David Higgins ⁽¹⁾	13.05.19	3,000
Liam Butterworth	01.01.22	3,000
Kath Cates ⁽¹⁾	01.09.20	2,135
Ian El-Mokadem ⁽¹⁾	01.06.25	3,000
Alison Goligher ⁽²⁾	01.08.16	6,000
Clare Hayward ⁽¹⁾	16.04.24	3,000
Michael Lewis	01.05.23	3,000
Doug Webb ⁽¹⁾	01.09.20	10,200
Marina Wyatt	01.10.25	2,400

⁽¹⁾ Subscribed for a further 1,143 shares as part of the capital raising exercise (see page 107) with shares allotted on 5 May 2026.

⁽²⁾ Subscribed for a further 2,000 shares as part of the capital raising exercise (see page 107) with shares allotted on 5 May 2026.

Change in board member and colleague remuneration⁽¹⁾

The table below shows the percentage change in each director's remuneration compared to that of an average employee between the financial years ending 31 March 2021 and 31 March 2026. The 2026 remuneration figures for the directors are taken from the data used to compile the single total figure of remuneration tables shown earlier in this report, prior to any rounding.

Year ended 31 March vs prior year	Salary/total fees %					Benefits %					Bonus %				
	2026	2025	2024	2023	2022	2026	2025	2024	2023	2022	2026	2025	2024	2023	2022
Executive directors															
Louise Beardmore	16.4	3.8	62.4	n/a	n/a	(0.3)	18.7	34.9	n/a	n/a	n/a ⁽²⁾	(100.0)	83.5	n/a	n/a
Phil Aspin	16.3	5.5	4.4	3.6	1.2	2.2	8.9	3.7	(6.3)	67.3	n/a ⁽²⁾	(100.0)	18.0	(50.1)	6.4
All colleagues	8.0	7.5	9.4	6.6	3.7	8.6	35.8	12.0	4.1	5.0	56.4	(2.7)	11.4	(27.3)	11.6
Non-executive directors⁽³⁾															
Sir David Higgins	4.6	5.0	3.0	2.6	6.5	(19.1)	9.0	(37.9)	(55.6)	1,555.9					
Liam Butterworth	9.6 ⁽⁴⁾	18.8	3.0	2.6	n/a	278.8	(55.5)	66.2	n/a	n/a					
Kath Cates	4.5	4.4	8.3	16.5	6.5	69.9	(57.0)	66.2	(59.4)	1,555.9					
Ian El-Mokadem	n/a ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a					
Alison Goligher	(11.0) ⁽⁶⁾	7.0	7.2	2.5	11.5	(17.8)	n/a	0	(100.0)	708.6					
Clare Hayward	4.6 ⁽⁷⁾	n/a	n/a	n/a	n/a	3.5	n/a	n/a	n/a	n/a					
Michael Lewis	4.6	5.1	n/a	n/a	n/a	(29.4)	n/a	n/a	n/a	n/a					
Doug Webb	13.2 ⁽⁸⁾	4.3	3.1	8.8	23.6	n/a	(100.0)	66.2	(55.7)	1,418.0					
Marina Wyatt	n/a ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a					

⁽¹⁾ For details about changes in prior years see the respective directors' remuneration reports.

⁽²⁾ As detailed on page 141, no bonus was payable in respect of 2024/25 so presenting a year-on-year change is not meaningful.

⁽³⁾ Calculated using actual fees and taxable benefits. In line with policy the non-executive directors do not participate in the annual bonus.

⁽⁴⁾ The year-on-year fee change for Liam Butterworth reflects his role as ESG committee chair for the full year, whereas in the prior year he was only chair for part of the year and so only received the relevant fee for that part of the year.

⁽⁵⁾ Ian El-Mokadem and Marina Wyatt were appointed to the board on 1 June 2025 and 1 October 2025 respectively, so no year-on-year comparison is possible.

⁽⁶⁾ The year-on-year fee change for Alison Goligher reflects her stepping down as senior independent non-executive director and compliance committee chair during the year.

⁽⁷⁾ Clare Hayward joined the board on 16 April 2024. To enable a meaningful year-on-year comparison her fees reflect hypothetical full-year earnings in 2024/25.

⁽⁸⁾ The year-on-year fee change for Doug Webb reflects his appointment as senior independent non-executive director and compliance committee chair during the year with the relevant fees then becoming due.

The remuneration committee

Composition of the remuneration committee during the year ended 31 March 2026

Member	Member since
Kath Cates (chair since 22.07.22)	01.09.20
Alison Goligher	01.08.16
Doug Webb	23.07.21

The committee's members have no personal financial interest in the company other than as shareholders and the fees paid to them as non-executive directors.

Activities of the remuneration committee over the past year

The committee met nine times in the year ended 31 March 2026 (four scheduled meetings and five additional meetings) and carried out a number of key activities:

- Assessed the achievement of targets for the 2024/25 annual bonus scheme and set the targets for the 2025/26 annual bonus scheme;
- Approved the 2024/25 directors' remuneration report, including the 2025 directors' remuneration policy for shareholder approval at the 2025 AGM;
- Wrote to major shareholders following the publication of the company's 2025 annual report;
- Considered governance developments and market trends in executive remuneration, including the specific changes in the water sector the Water (Special Measures) Act 2025 and related Ofwat guidance and consultation on executive remuneration;
- Reviewed the pay comparator group;
- Reviewed the base salaries of executive directors and other members of the executive team;
- Reviewed the base fee for the Chair;
- Conducted a competitive tender process for the committee's adviser (following which Ellason were reappointed);
- Assessed the achievement of targets for the Long Term Plan (LTP) awards made in 2022;
- Reviewed progress against the targets for the 2025/26 annual bonus scheme, and the 2023 and 2024 LTP awards;

- Set the measures and targets for the 2025 LTP awards;
- Considered the remuneration arrangements of the wider workforce and their alignment with those of the executives, alongside feedback received from the workforce via Liam Butterworth to the board in his role as the non-executive director for workforce engagement;
- Monitored progress against shareholding guidelines for executive directors and other members of the executive team;
- Consulted with shareholders and other stakeholders on potential changes to the directors' remuneration policy, and considered the feedback received;
- Determined the remuneration arrangements for new executives falling under the remit of the committee; and
- Reviewed the committee's performance during the period.

Support to the remuneration committee

By invitation of the committee, meetings are attended by the Chair, the CEO, the company secretary (who acts as secretary to the committee), the people director, and the head of reward who are consulted on matters discussed by the committee, unless those matters relate to their own remuneration. Advice or information is also sought from other colleagues where the committee feels that such additional contributions will assist the decision-making process.

The committee is authorised to take such internal and external advice as it considers appropriate in connection with carrying out its duties, including the appointment of its own external remuneration advisers.

During the year ended 31 March 2026, the committee was assisted in its work by independent external remuneration advisers, Ellason, who were reappointed in 2025 following a competitive tender process. Ellason have been adviser to the committee since January 2021. They provided advice to the committee on remuneration matters including analysis of the remuneration policy and regular market and best practice updates. In addition, other services provided to the company included advice and benchmarking on non-executive director and senior leader remuneration, advice on

Main responsibilities

- Determining and recommending to the board the policy for executive director remuneration, having reviewed and taken into account workforce remuneration and related policies and the alignment of incentives and reward with our purpose, values and culture;
- Setting the individual employment and remuneration terms for executive directors and other senior executives, including: recruitment and severance terms, bonus plans and targets, and the achievement of performance against targets, including consideration and use of discretion as appropriate;
- Approving the general employment and remuneration terms for selected senior colleagues;
- Setting the remuneration of the Chair of the company;
- Proposing all new long-term incentive schemes for approval by the board, and for recommendation by the board to shareholders; and
- Assisting the board in reporting to shareholders and undertaking appropriate discussions as necessary with institutional shareholders on aspects of executive remuneration.

the company's share schemes and assurance work on the directors' remuneration report for the audit committee. Fees on a time/cost basis for the advice provided to the committee during the year were around £152,000 as set out in the terms and conditions in the relevant engagement letter.

Ellason is a signatory to the Remuneration Consultant Group's Code of Conduct, which sets out guidelines to ensure that any advice is independent and free of undue influence (which can be found at remunerationconsultantsgroup.com). None of the individual directors have a personal connection with Ellason. The committee is satisfied that the advice it receives is objective and independent and confirms that Ellason does not have any connection with the company that may impair its independence.

In addition, during the year, the law firm Eversheds Sutherland provided advice to the company in relation to the company's share schemes.

2025 AGM: statement of voting

At the last annual general meeting on 18 July 2025, votes on the resolutions to approve the remuneration policy and annual report on remuneration were cast as follows:

Resolution	Votes for	Votes against	Votes withheld (abstentions)	Total votes cast
Approval of the directors' remuneration policy	510,748,135 (99.41%)	3,006,565 (0.59%)	1,814,417	513,754,700
Approval of the directors' remuneration report (other than the part containing the directors' remuneration policy)	509,687,660 (99.43%)	2,937,760 (0.57%)	2,943,697	512,625,420

The directors' remuneration report was approved by the board of directors on 15 May 2026 and signed on its behalf by:

Kath Cates

Chair of the remuneration committee

Stock code: UU.

Appendix 1: Executive directors' share plan interests

1 April 2025 to 31 March 2026 (audited information)

	Award date	Awards held at 1 April 2025	Awards granted in year	Vested in year	Lapsed/ forfeited in year	Notional dividends accrued in year ⁽¹⁾	Awards held at 31 March 2026 ⁽¹⁾
Louise Beardmore							
Shares not subject to performance conditions at 31 March 2026							
DBP	16.06.22	9,954	–	9,954	–	–	0
DBP	16.06.23	11,496	–	–	–	517	12,013
DBP	17.06.24	21,274	–	–	–	959	22,233
LTP	29.07.22	57,513	–	–	15,941	2,364	43,936
ShareBuy matching shares ⁽²⁾	01.04.25 to 31.03.26	35	31	35	–	–	31
Subtotal		100,272	31	9,989	15,941	3,840	78,213
Shares subject to performance conditions at 31 March 2026							
LTP	15.12.23	86,288	–	–	–	3,889	90,177
LTP	14.03.25	96,303	–	–	–	4,341	100,644
LTP ⁽³⁾	05.12.25	–	141,486	–	–	2,027	143,513
Subtotal		182,591	141,486	0	0	10,257	334,334
Total		282,863	141,517	9,989	15,941	14,097	412,547

Phil Aspin							
Shares not subject to performance conditions at 31 March 2026							
DBP	16.06.22	24,792	–	24,792	–	–	0
DBP	16.06.23	11,967	–	–	–	538	12,505
DBP	17.06.24	13,494	–	–	–	608	14,102
LTP	30.11.20	48,133	–	49,592	–	1,459	0
LTP	30.06.21	48,567	–	–	–	2,188	50,755
LTP	29.07.22	55,213	–	–	15,303	2,269	42,179
ShareBuy matching shares ⁽²⁾	01.04.25 to 31.03.26	35	31	35	–	–	31
Subtotal		202,201	31	74,419	15,303	7,062	119,572
Shares subject to performance conditions at 31 March 2026							
LTP	15.12.23	55,648	–	–	–	2,508	58,156
LTP	14.03.25	62,115	–	–	–	2,799	64,914
LTP ⁽³⁾	05.12.25	–	91,071	–	–	1,304	92,375
Subtotal		117,763	91,071	0	0	6,611	215,445
Total		319,964	91,102	74,419	15,303	13,673	335,017

⁽¹⁾ Note that these are subject to performance conditions where applicable.

⁽²⁾ Under ShareBuy, matching shares vest provided the colleague remains employed by the company one year after grant. During the year, Louise Beardmore purchased 154 partnership shares and was awarded 31 matching shares (at an average share price of 1,159.6 pence per share). Phil Aspin purchased 154 partnership shares and was awarded 31 matching shares (at an average share price of 1,159.6 pence per share).

⁽³⁾ See page 161 for further details.

Vesting of legacy share awards for former directors (audited information)

Steve Mogford retired from the board and left the company in March 2023. In line with policy he retained a number of awards under the DBP, and as a 'good leaver', the LTP. On 2 December 2025, 96,112 shares arising from his 2020 LTP vested. On 16 June 2025, 39,829 shares arising from his 2022 DBP vested.

Dilution limits

Awards granted under the company's share plans are satisfied by market-purchased shares bought on behalf of the company by United Utilities Employee Share Trust immediately prior to the vesting of a share plan. The company does not make regular purchases of shares into the Trust nor employ a share purchase hedging strategy.

The rules of the Deferred Bonus Plan do not permit awards to be satisfied by newly issued shares and must be satisfied by market-purchased shares. The rules of the Long Term Plan permit the awards to be satisfied by newly issued shares but the company has decided to satisfy awards by market-purchased shares.

Should the company's method of satisfying share plan vestings change (i.e. issuing new shares) then the company would monitor the number of shares issued and their impact on dilution limits set by the Investment Association at the time of shareholder approval of the respective plan rules. No treasury shares were held or utilised in the year ended 31 March 2026.