UNITED UTILITIES PLC AGM Date: 2013-07-26

1 Receive the Annual Report	**For**
2 Approve the dividend	**For**
3 Approve the Remuneration Report	**Abstain**

All elements of each directors remuneration are disclosed. The maximum annual bonus has been stated. Although the precise past and future targets under the bonus are not quantified, the company goes into detail to demonstrate the basis for bonus payments with respect to the year under review.
Given the level of award under the PSP and the Share Matching Plan,the upper TSR target is considered acceptable but not the lower. It is considered best practice that schemes use two performance measures concurrently. It is not considered to be appropriate that the two schemes use the same TSR index performance measure, although the integration of non-financial performance measures into the schemes is welcomed. Performance period is less than 4 years. Total potential rewards under all incentive schemes are excessive but the actual aggregate expected value of short and long term incentive awards granted during the year is less than 200% of salary. However, a new Long Term Plan (LTP) will be used instead of the existing matching share award plan (MSAP) and performance share plan (PSP) as from the year 2013/14.
One year rolling contract. No pre-determined compensation in excess of one year. A mitigation statement is made.
Based on these concerns, we abstain.

4 Re-elect Dr John McAdam — **Abstain**

Chairman. Independent upon appointment. However, he is the chairman of another FTSE350, which raises concerns about his external time commitments.

5 Re-elect Steve Mogford	**For**
6 Re-elect Russ Houlden	**For**
7 Re-elect Dr Catherine Bell	**For**
8 Elect Brian May	**For**
9 Re-elect Nick Salmon	**For**
10 Re-elect Sara Weller	**For**
11 Appoint the auditors	**Oppose**

KPMG LLP proposed. Non-audit fees represented 33.3% of audit services during the year under review and 80% on a three-year aggregate basis. This raises concerns about the independence of the statutory auditors.

12 Allow the board to determine the auditors remuneration **For**

13 Issue shares with pre-emption rights **For**

14* Issue shares for cash **For**

15* Authorise Share Repurchase **For**

16 Approve new long term incentive plan **For**

Awards will not be granted to a participant under the 2013 LTP over shares with a market value in excess of 200% of salary in each of the company's financial years.
Awards will generally only vest or become exercisable subject to the satisfaction of a performance condition measured over a performance period of at least three years followed by a holding period (normally two years) for executive directors.
One-third of the award is based on TSR relative to the FTSE 100 (excluding financial services, oil and gas and mining companies). 25% vests at median performance and the TSR proportion vests in full at 1.15x median. Awards vest on a straight-line basis between these points.
One-third of the award vests based on dividend growth and dividend cover. For 2013, where the performance period straddles two regulatory periods, dividend cover will operate as an underpin, with dividend growth (over the three year period) providing the pay-out range based on threshold (25% vesting) to stretch (100% vesting) targets.
one-third of the award is based on Ofwat's customer service measure. The vesting would be based on ranking position in final year compared to the other water and wastewater companies. 25% of the award vests for median position (11 out of 21), 80% for upper quartile position (6 out of 21) and 100% for upper decile position or above (1 or 2 out of 21). Awards vest on a 'Straight-line' basis between these points.
The new long term performance measures are linked to non-financial KPIs and rely on various criteria, one of which uses a comparator group or index, which is welcome. However, the criteria are not applied concurrently. In addition, the TSR maximum and minimum vesting targets can be challenging relative to performance required.
Specific targets are not disclosed for dividend growth and it is not possible to determine whether the targets are challenging.

17* Meeting notification related proposal **Oppose**

The proposed resolution reflects the implementation of the EU Shareholder Rights Directive into English law, which took place on 3 August 2009 as implemented by the company in its Articles of Association. Under the regulations, the minimum notice period for general meetings (other than Annual General Meetings) will increase to 21 days unless certain conditions are met, in which case it may be 14 days.
All companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. Although the proposed change is permissible by the Companies Act, Triodos votes against this resolution.

18 Approve Political Donations **Oppose**

Approval is sought to continue to make make donations to political parties, other political organisations and incur EU political expenditure. The company has provided detailed disclosure on its expenditure in political donations, which is welcomed. The aggregate amount that permission is being sought for is £100,000, which is withing recommended levels. Additionally, total political expenditure amounted to 16,211 (2012: £12,328) as the Company states, "The period 2012/13 saw an increase in stakeholder engagement along a number of policy themes as the industry examined its future development," and that their expenditure was, "part of this process". It is not considered appropriate for companies to use shareholder funds to host events with political parties. In addition, it is unclear how exactly the political donations are to be used.

Triodos does not support donations for political events and specific political parties as such contributions could be viewed as encouraging preferential treatment and interfering with the democratic process.