

RESOLUTIONS

of

UNITED UTILITIES PLC

(the "Company")

(passed 1 July 2008)

THURSDAY



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COMPANIES HOUSE

At a Court Meeting of the Company duly convened and held on 1 July 2008, the following resolution was duly passed

THAT the Scheme of Arrangement pursuant to sections 895 to 899 of the Companies Act 2006 dated 6 June 2008 proposed to be made between United Utilities PLC and the holders of the Scheme Shares (as defined in the Scheme of Arrangement), a copy of which has been signed by the Chairman for identification, is approved without modification

At a General Meeting of the Company duly convened and held on 1 July 2008, the following resolutions were duly passed, resolution 1 as a special resolution and resolutions 2 to 4 inclusive as ordinary resolutions

1. THAT.

(A) the directors of the Company be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying into effect the scheme of arrangement dated 6 June 2008 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the "Scheme") proposed to be made between the Company and the Scheme Shareholders (as defined in the Scheme),

(B) for the purpose of giving effect to the Scheme

(i) the share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme),

(ii) forthwith and contingently upon such reduction of capital taking effect

(a) the authorised share capital of the Company be increased to its former amount by the creation of such number of New United Utilities Shares (as defined in the Scheme) as shall be equal to the aggregate nominal amount of the Scheme Shares cancelled pursuant to paragraph (B)(i) of this resolution, and

(b) the Company shall apply the credit arising in its books of account as a result of such reduction of capital in paying up in full, at par, the number of New United Utilities Shares created pursuant to paragraph (B)(ii)(a) of this resolution which shall be allotted and issued, credited as fully paid, to United Utilities Group PLC and/or its nominee(s), and

(c) the directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of section 80 of the Companies Act 1985, to allot the New United

Utilities Shares referred to in paragraph (B)(ii)(a) and (b) of this resolution provided that (i) the maximum aggregate nominal amount of the shares which may be allotted hereunder shall be £1,000,000,000, (ii) this authority shall expire on 31 December 2008, and (iii) this authority shall be in addition to any subsisting authority conferred on the directors of the Company pursuant to the said section 80, and

- (C) the articles of association of the Company be amended by the adoption and inclusion of the following new article as Article 171

“171 Shares not otherwise subject to the Scheme

- 171 1 For the purpose of this article 171, references to the “Scheme” are to the scheme of arrangement dated 6 June 2008 under Section 899 of the Companies Act 2006 between the company and its members subject to that scheme of arrangement in its original form or with or subject to any modification, addition or condition approved or imposed by the Court. Terms defined in the Scheme shall have the same meanings in this article. References to “Spouse” include a civil partner under the UK Civil Partnership Act 2004.
- 171 2 Notwithstanding any other provision of these articles, if any United Utilities Shares are allotted and issued to any person (a “new member”) other than United Utilities Group and/or its nominee(s) after the time at which this article becomes effective they will
- (a) if allotment and issue is prior to the confirmation by the Court of the reduction of capital provided for under the Scheme, be allotted and issued subject to the terms of the Scheme and the new member, and any subsequent holder other than United Utilities Group and/or its nominee(s), shall be bound by the terms of the Scheme, and
- (b) if allotment and issue is at or after confirmation by the Court of the reduction of capital provided for under the Scheme they will, provided the Scheme has become effective and that United Utilities Group is a member of the company and subject to article 171 3, be immediately transferred to United Utilities Group and/or its nominee(s) in consideration of and conditional on the issue or transfer to the new member of one United Utilities Group Ordinary Share for every one United Utilities Share so transferred. The United Utilities Group Ordinary Shares issued pursuant to this article 171 2(b) to the new member will be credited as fully paid and will rank equally in all respects with all United Utilities Group Ordinary Shares in issue at the time (other than as regards any dividend or other distribution payable, or return of capital made, by reference to a record time preceding the date of exchange) and be subject to

the memorandum and articles of association of United Utilities
Group

- 171 3 Any new member may, prior to the issue of the United Utilities Shares to him or her pursuant to the exercise of an option or other right under one of the company's employee share schemes, give no less than two business days' written notice to the company of his or her intention to transfer some or all of those shares to his or her Spouse and may, if such notice has been validly given, on such shares being issued to him or her immediately transfer to his or her Spouse any such shares, provided that such shares will then be immediately transferred from that Spouse to United Utilities Group and/or its nominee(s) pursuant to article 171 2(b) as if the Spouse were a new member
- 171 4 The number of United Utilities Group Ordinary Shares to be issued or transferred to the new member under article 171 2(b) may be adjusted by the board in such manner as the auditors may determine to be appropriate on any reorganisation or material alteration of the share capital of either the company or of United Utilities Group or any other return of capital to holders of United Utilities Group Ordinary Shares effected after the Scheme Effective Date, provided always that any fractions of a United Utilities Group Ordinary Share shall be disregarded and shall be aggregated and sold for the benefit of the relevant new members and the proceeds of the sale will be distributed to those members *pro rata* to their fractional entitlements
- 171 5 In order to give effect to any such transfer required by this article 171, the company may appoint any person to execute and deliver as transferor a form of transfer on behalf of the new member in favour of United Utilities Group and/or its nominee(s) and to agree for and on behalf of the new member to become a member of United Utilities Group Pending the registration of United Utilities Group as a holder of any share to be transferred pursuant to this article 171, United Utilities Group shall be empowered to appoint a person nominated by the directors of the company to act as attorney on behalf of the new member in accordance with such directions as United Utilities Group may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such share shall exercise all rights attached thereto in accordance with the directions of United Utilities Group but not otherwise "

2 THAT, subject to and conditionally upon the resolution numbered 1 in this notice being approved, the establishment by United Utilities Group PLC of the United Utilities Group 2008 Savings-Related Share Option Scheme and the United Utilities Group 2008 Share Incentive Plan, the principal terms of each of which are summarised at paragraph

3 in Part VI of the circular to Shareholders dated 6 June 2008 and accompanying this Notice (the "Circular"), be and is hereby approved

3. THAT, subject to and conditional upon the resolution numbered 1 in this notice being approved, the establishment by United Utilities Group PLC of the United Utilities Group 2008 Performance Share Plan, the United Utilities Group 2008 International Plan and the United Utilities Group 2008 Matching Share Award Plan, the principal terms of each of which are summarised at paragraph 3 in Part VI of the Circular, be and is hereby approved

4. THAT, subject to and conditional upon the resolution numbered 1 in this notice being approved, the directors of United Utilities Group PLC be and are hereby authorised to establish employee share schemes in addition to those mentioned in resolutions numbered 2 and 3 in this notice (the "Schemes") for the benefit of overseas employees of United Utilities Group PLC and its subsidiaries provided that such additional schemes operate within the equity dilution limits applicable to the Schemes and (save to the extent necessary or desirable to take account of overseas tax, securities and exchange control laws) such additional schemes do not confer upon participants benefits which are greater than those which could be obtained from the Schemes and that, once such additional schemes have been established, they may not be amended without the approval of United Utilities Group PLC in general meeting if such approval would be required to amend the corresponding provisions of the Schemes or unless such approval to amend those corresponding provisions has already been obtained

A handwritten signature in black ink, appearing to be 'TSV' followed by a stylized flourish.

Company Secretary