

Bristol Water plc

Notice of Annual General Meeting

To all holders of ordinary shares

All of the Company's ordinary shares are held by Bristol Water Core Holdings Limited which has indicated its intention to vote in favour of the resolutions being proposed at the Company's forthcoming AGM. This notice sets out the resolutions to be proposed at the AGM, which deals with the ordinary business of receiving accounts and the appointment of directors and auditors and, in addition, to certain items of special business which are explained in more detail in the explanatory notes which appear as an appendix to this notice.

Notice is hereby given that the twenty-seventh Annual General Meeting of Bristol Water plc (the "Company") will be held at Head Office, Bridgwater Road, Bristol, BS13 7AT, on **Monday 10th September 2018 at 13:30** for the following purposes:

AS ORDINARY BUSINESS

To consider and, if thought fit, to pass resolutions 1 to 6 as Ordinary Resolutions:

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| <i>Resolution 1</i> | To receive the Company's Accounts for the year ended 31 March 2018 together with the directors' report and the auditors' report on those accounts. |
| <i>Resolution 2</i> | To re-elect Mr Keith Ludeman as a Director of the Company. |
| <i>Resolution 3</i> | To re-elect Mr Tim Tutton as a Director of the Company. |
| <i>Resolution 4</i> | To elect Mr Hajime Ichishi as a Director of the Company. |
| <i>Resolution 5</i> | To elect Mr Indradoot Dhar as a Director of the Company. |
| Resolution 6 | To elect Mr Paul Francis as a Director of the Company. |
| <i>Resolution 7</i> | To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company and to authorise the Directors to fix their remuneration. |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass resolution 8 as an Ordinary Resolution:

- Resolution 8* To authorise the Company and all companies that are its subsidiaries at any time during the period for which this resolution has effect for the purposes of Section 366, Companies Act 2006:
- (a) to make political donations to political parties or independent election candidates (as such terms are defined in Section 363 and 364, Companies Act 2006), not exceeding £50,000 in aggregate;
 - (b) to make political donations to political organisations other than political parties (as such terms are defined in Sections 363 and 364, Companies Act 2006), not exceeding £50,000 in aggregate;
 - (c) to incur political expenditure (as such term as defined in Section 365, Companies Act 2006), not exceeding £50,000 in aggregate,

provided that this authority shall expire the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company and further provided that the maximum amounts referred to in paragraphs (a), (b) and (c) may comprise sums in different currencies that shall be converted at such rate as the directors may in their absolute discretion determine to be appropriate.

By order of the Board
Colin Caldwell
Company Secretary
17th August 2018

Registered Office:
Bridgwater Road
Bristol
BS13 7AT
Registered in England
Number 2662226

The following documents are available for inspection during usual business hours on any weekday at the registered office of the Company until the conclusion of the AGM. They will also be available for inspection at Head Office, Bridgwater Road, Bristol, from 13:00. on 10th September 2018 until the conclusion of the AGM:

- (1) a copy of each of the executive Directors' Service Agreements; and
- (2) a copy of each of the non-executive Directors' Letters of Appointment.

EXPLANATORY NOTES TO THE SPECIAL BUSINESS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

Resolution 7– political donations and expenditure

Resolution 7 concerns Part 14 of the Companies Act 2006 which provides that political donations made by a company to political parties, to other political organisations and to independent election candidates or political expenditure incurred by a company must be authorised in advance by its shareholders.

It is not the policy of the Company to make donations to political parties, other political organisations or independent election candidates or to incur political expenditure, and the Directors have no intention of changing that policy. However, as a result of the wide definitions in the Companies Act 2006, normal expenditure (such as expenditure on organisations concerned with matters of public policy, law reform and representation of the business community) and business activities (such as communicating with the Government and political parties at local, national and European level) might be construed as political expenditure or as a political donation to a political party or other political organisation and fall within the restrictions of the Companies Act 2006.

This resolution does not purport to authorise any particular donation or expenditure but is expressed in general terms as required by the Companies Act 2006 and is intended to authorise normal donations and expenditure. If passed, resolution 8 will allow the Company and its subsidiaries to make donations to political parties, other political organisations and independent election candidates and to incur political expenditure (as defined in the Companies Act 2006) up to an aggregate limit of £150,000 in the period beginning with the date of the passing of this resolution and ending 18 months after the date of the passing of this resolution or, if sooner, the conclusions of the next Annual General Meeting of the Company whilst avoiding, because of the uncertainty over the definitions used in the Companies Act 2006, inadvertent infringement of the Companies Act 2006.

Any political donation made or political expenditure incurred, which is in excess of £200, will be disclosed in the Company's Annual Report for the next financial year, as required by the Companies Act 2006. The authority will not be used to make political donations within the normal meaning of that expression.

Members' right to appoint a proxy

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not also be a member. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights to a different share or shares held by the member.
2. To be effective the proxy appointment must be completed in accordance with the instructions and received by the company's registrars no later than 48 hours before the time for which the meeting is convened.
3. The statement of the rights of shareholders in relation to the appointment of proxies in notes 1 above do not apply to nominated persons. The rights described in these notes can only be exercised by shareholders.
4. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the company of the number of votes they may cast), members must be entered on the company's register of members at time and date not more than 48 working hours before the time fixed for the meeting ('the specified time'). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
5. As at 9th August 2018 (being the latest practicable date prior to the printing of this notice) the issued share capital of the company conferring the right to vote at the meeting consisted of 5,998,025 £1 Ordinary shares. Therefore the total number of voting rights in the company as at that date was 5,998,025
6. Members satisfying the requirements of section 527 of the Companies Act 2006 may require the company to publish on a website a statement by them (at the company's cost) relating to the audit of the company's accounts which are being laid before this meeting (including the auditor's report and the conduct of the audit) or, where applicable, any circumstances connected with an auditor of the company ceasing to hold office since the previous general meeting at which accounts are laid. As at 9th August 2018, no such statement has been received by the company. Should such a statement be received, it will be published on the company's website at www.bristolwater.co.uk. In those circumstances the company would be under an obligation to forward a copy of the statement to the auditors forthwith and the statement would form part of the business which may be dealt with at this meeting.

Holders of preference shares

7. This notice is sent for information only to holders of preference shares, who are not entitled to attend and vote at the meeting.
8. Any member attending the meeting has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if
 - a. to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - b. the answer has already been given on a website in the form of an answer to a question; or
 - c. it is undesirable in the interests of the company or the good order of the meeting that the question be answered.