

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU WISH TO TAKE YOUR DIVIDENDS IN CASH OR YOU HOLD YOUR ORDINARY SHARES IN UNCERTIFICATED FORM (IN CREST), YOU SHOULD NOT COMPLETE OR RETURN THIS FORM.

If you are in any doubt about the action you should take with this document, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000. If you have sold some or all of your shares prior to 29 January 2014, you should contact your stockbroker or agent without delay for advice as to how to proceed.

Name and address

PENNON

GROUP PLC

(Registered in England No: 2366640)

Registered Office:-
Peninsula House,
Rydon Lane, Exeter,
Devon EX2 7HR

SCRIP DIVIDEND ALTERNATIVE FORM OF ELECTION/MANDATE

This form must be completed in BLACK INK in BLOCK CAPITALS.

If you are not entering information in any of the boxes below please leave them blank and **do not cross them through**.

To Pennon Group Plc ("the Company") and Capita Asset Services

I/We the undersigned confirm that I/we have read and understood the Pennon Group Plc Scrip Dividend Alternative Booklet and that I/we wish to participate in the Scrip Dividend Alternative in respect of all or some of the Ordinary shares of the Company.

By signing this Form I/we elect to receive an allotment of new shares, credited as fully paid, in respect of the interim dividend for the financial year ending 31 March 2014 of 9.39 pence, and for **any future dividends** for which a scrip dividend is offered, for all of my/our holding on the terms of the letter from the Chairman dated 17 February 2014, the Scrip Dividend Alternative Booklet and the constitutional documents of the Company **unless I/we have completed Step 2 which applies to the interim dividend only**.

Step 1

Please sign and date here.

All registered holders must sign to confirm this instruction.

D D / M M / Y Y Y Y

Signature 1

Signature 2 (if applicable)

Signature 3 (if applicable)

Signature 4 (if applicable)

Step 2

If you wish to receive all or part of your holding as new shares in respect of this interim dividend only, enter the number of shares you wish to elect on in this box.

Step 3

If signing as a Power of Attorney or other authority put X in box and print your full name here.

In the case of a corporation, this form must be executed under its common seal, or be signed by a duly authorised official, whose capacity should be stated in accordance with Section 44 of the Companies Act 2006.

Step 4

To be valid for the interim dividend for the year ending 31 March 2014 payable on 3 April 2014, please return this form once completed to Capita Asset Services to arrive no later than 5.00 p.m. on 10 March 2014. If it is received after this date, you will receive the full cash dividend on your holding but, unless you have completed Step 2, this form will be valid for future dividends until cancelled or revoked.

Copies of the Company's Scrip Dividend Alternative Booklet, detailing the terms and conditions of the Company's Scrip Dividend Alternative, may be viewed and downloaded from the Company's website: www.pennon-group.co.uk and are also available on request from the Company's Registrar, Capita Asset Services. This Form of Election/Mandate may also be viewed and downloaded from the Company's website.

If you have any questions about how to complete this form, or wish to receive a printed copy of the terms and conditions of the Company's Scrip Dividend Alternative, please contact Capita Asset Services who are open between 8.30 am and 5.30 pm Monday to Friday (except public holidays):

- Telephone: 0871 664 9234 from within the UK (calls cost 10 pence per minute (including VAT) plus your service provider's network extras).
- +44 800 141 2951 if calling from outside the UK. Different charges may apply to calls from mobiles and calls may be recorded and randomly monitored for security and training purposes.
- Address: Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
- Email: pennon@capita.co.uk