

11 December 2014

Strictly Personal and Confidential

The Hon Philip John Remnant CBE

Bronagh Kennedy
Severn Trent Centre
2 St John's Street
Coventry
CV1 2LH

Dear Philip,

Appointment as Chair of the Remuneration Committee

Further to discussion at recent Nominations Committee meetings, it has been agreed that you will be appointed as Chair of the Remuneration Committee with effect from 24 January 2015, upon Richard Davey's retirement.

Your basic fee will remain at £51,350 for Board and Committee membership, but with a further £15,000 payable from 24 January in respect of your Chairmanship of the Remuneration Committee.

I would like to take this opportunity to thank you for your agreement to assume this additional area of responsibility and commitment.

Yours sincerely



Bronagh Kennedy
General Counsel and Company Secretary