

NOTICE OF MEETING 2017

This document is important and requires your immediate attention.

If you are in any doubt about its content or the action you should take, you should consult your stockbroker, solicitor, accountant or other independent financial adviser authorised by the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Severn Trent Plc, please forward this document to your bank, stockbroker or other agent through or to whom the sale or transfer was effected for delivery to the purchaser or transferee.



Dear Fellow Shareholder,

This year's Annual General Meeting (the 'Meeting') will be held at the Ricoh Arena in Coventry on Wednesday 19 July 2017 at 11am.

Please note we will be arranging a complimentary bus service to and from Coventry train station for shareholders. Details can be found on page 12.

The following pages contain the Notice of Meeting, setting out the business that will be proposed at the Meeting and the procedures for your participation and voting.

As set out in the Notice of Meeting, all of the current Directors are submitting themselves for reappointment. All of the current Directors were subject to a formal and rigorous performance evaluation, further details of which can be found on page 83 of the Annual Report and Accounts. The Board considers that each of the Directors is discharging their responsibilities effectively, and continues to make a strong contribution to the work of the Board. Each Director brings valuable skills and experience to the Board and its Committees and further information can be found in the biographies on pages 3 to 5 of this document.

If you are unable to attend the meeting to vote in person, please complete and submit your Form of Proxy to Equiniti (our registrar) as soon as possible. Equiniti must receive the Form of Proxy by 11am on Monday 17 July 2017. Alternatively, you can vote online at www.sharevote.co.uk

Resolutions 1 to 20 at the Meeting will be conducted by way of a poll rather than a show of hands. Your Directors believe this is a more accurate reflection of the views of shareholders and ensures that their votes are recognised, whether or not they can attend the meeting. On a poll, each shareholder has one vote for every share held. As soon as practicable following the Meeting, the results of the voting at the Meeting will be announced to the London Stock Exchange and published on our website.

Please note that Severn Trent Plc operates a Dividend Reinvestment Plan (the 'Plan'), which gives shareholders the option of using their dividend payments to buy more shares in the Company at favourable commission rates. If you would like to participate in this Plan please contact the Equiniti helpline on 0371 384 2268* for an application form. To participate for the July 2017 final dividend a completed application form must be received by Equiniti by 5pm on Friday 30 June 2017.

The Board considers that all of the proposals set out in the Notice of Meeting are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 123,050 Ordinary Shares representing approximately 0.51% of the issued Ordinary Share capital of the Company (excluding Treasury Shares) as at 22 May 2017, being the latest practicable date prior to publication of this document.

Your Directors and I look forward to updating you on the progress we are making in delivering our strategy and hearing your questions on our performance and prospects.

Yours faithfully,



Andrew Duff
Chairman

22 May 2017

* Lines are open 8.30am to 5.30pm (UK time) Monday to Friday, excluding public holidays in England and Wales.

**SEVERN
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Directors standing for reappointment

The effectiveness of the Board is reviewed at least annually, and conducted according to the guidance set out in the UK Corporate Governance Code. The 2016/17 evaluation was internally conducted, and having evaluated the findings, the Board considers each Director who was assessed to be fully effective. In addition, the Board has determined that all Non-Executive Directors standing for reappointment at the 2017 Meeting are independent.

As part of the evaluation, full consideration was given to the number of external positions held by each Non-Executive Director. The Nominations Committee reviewed Directors' other appointments, including the time commitment required for each, as part of the evaluation exercise, the outcome of which can be found below:

Director	Number of Listed Company Appointments as Chairman (including Severn Trent Plc)	Number of other Listed Company Appointments as Non-Executive Director (including Severn Trent Plc)
Kevin Beeston	2	1
James Bowling	0	0
John Coghlan	0	2
Andrew Duff	2	0
Emma FitzGerald	0	1
Liv Garfield	0	0
Dominique Reiniche*	0	3
Philip Remnant	1	2
Dr. Angela Strank	0	1

* Dominique Reiniche was a Non-Executive Director of AXA SA until April 2017, and retired from the AXA Board at their 26 April 2017 Annual General Meeting.

As a result of this review, the Board did not identify any instances of overboarding and confirms that all individual Directors have sufficient time to commit to their role as a Director of Severn Trent Plc.



Kevin Beeston
Senior Independent Director
Resolution: 4



Andrew Duff
Chairman
Resolution: 7



Dominique Reiniche
Independent Non-Executive Director
Resolution: 10



James Bowling
Chief Financial Officer
Resolution: 5



Emma FitzGerald
Managing Director,
Wholesale Operations
Resolution: 8



Philip Remnant CBE
Independent Non-Executive Director
Resolution: 11



John Coghlan
Independent Non-Executive Director
Resolution: 6



Olivia Garfield
Chief Executive
Resolution: 9



Dr. Angela Strank
Independent Non-Executive Director
Resolution: 12

Notice of Annual General Meeting

and explanatory notes

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting (the 'Meeting') of Severn Trent Plc (the 'Company') to transact the following business will be held at the Ricoh Arena, Phoenix Way, Coventry, CV6 6GE on Wednesday 19 July 2017 at 11am:

Resolutions

The Resolutions numbered 1 to 16 are proposed as Ordinary Resolutions, which must each receive more than 50% of the votes cast in order to be passed.

Resolutions numbered 17 to 20 are proposed as Special Resolutions, which must each receive at least 75% of the votes cast in order to be passed.

The Resolutions to be proposed to the Meeting appear in bold text below with explanatory notes for each Resolution underneath.

REPORT AND ACCOUNTS

1. To receive the accounts and the reports of the Directors and the Auditor for the year ended 31 March 2017.

Severn Trent is required by the Companies Act 2006 (the '2006 Act') to present to the Meeting, the Reports of the Directors and Auditors and the audited accounts of the Company for each financial year (in this case for the year ended 31 March 2017) (the '2017 Annual Report'). The 2017 Annual Report is available at www.severntrent.com.

REMUNERATION REPORT

2. To approve the Directors' Remuneration Report in the form set out in the Company's Annual Report and Accounts for the year ended 31 March 2017.

The 2006 Act requires quoted companies to present to their shareholders for approval a Director's remuneration report. The Directors' remuneration report is set out in full in the Annual Report and Accounts on pages 96 to 119.

The shareholder vote is advisory and therefore does not directly affect the remuneration paid to any Director. The Company's Auditor, Deloitte LLP, has audited those parts of the Remuneration report that are required to be audited and their report is issued in the 2017 Annual Report.

Shareholders approved the Directors' Remuneration Policy at the Annual General Meeting in 2015 and therefore there is no requirement for shareholders to approve a Remuneration Policy this year. The Directors' Remuneration Policy will be put to shareholders again no later than the Company's Annual General Meeting in 2018.

DIVIDEND

3. To declare a final ordinary dividend in respect of the year ended 31 March 2017 of 48.90 pence for each Ordinary Share of 97^{1/19} pence.

A final ordinary dividend of 48.90 pence per share has been recommended by the Directors for payment to ordinary shareholders who are on the register of members of the Company at 6pm on 16 June 2017. A final dividend can only be declared by the shareholders at a General Meeting but must not exceed the amount recommended by the Directors. If so declared the date of payment of the final ordinary dividend will be 21 July 2017.

REAPPOINTMENT OF DIRECTORS

Section B.7.1 of the UK Corporate Governance Code recommends that all Directors of FTSE 350 companies should be subject to annual reappointment by shareholders. The Directors standing for reappointment in light of this provision are listed in Resolutions 4 to 12 overleaf.

Following a formal review, the Nominations Committee has confirmed that each Director standing for reappointment continues to make a valuable contribution to the Board's deliberations and continues to demonstrate commitment. The Board has considered whether each of the Independent Non-Executive Directors is free from any relationship that could materially interfere with the exercise of his or her judgement and has concluded that each continues to be independent.

The Board supports and recommends all of the proposed reappointments.

4. To reappoint Kevin Beeston as a Director.

Kevin Beeston FCMA (54)

Senior Independent Director ('SID')

Appointed to the Board from 1 June 2016

Kevin has a wealth of commercial, financial and high level management experience. Kevin is Chairman of Taylor Wimpey plc and Equiniti plc and also a Non-Executive Director of The Football Association Premier League Limited and Marston Corporate Limited. Previously Kevin spent 25 years at Serco plc, where he held the roles of Finance Director, Chief Executive and finally Chairman until 2010. Kevin was previously Chairman of Domestic & General Limited and Partnerships in Care Limited and a Non-Executive Director of IMI plc.

External appointments

- Chairman of Taylor Wimpey plc
- Chairman of Equiniti plc
- Non-Executive Director of The Football Association Premier League Limited
- Non-Executive Director of Marston Corporate Limited

The Board carefully considered whether Kevin's external appointments adversely impacted his ability to contribute effectively to his role as Non-Executive Director and SID of Severn Trent as part of the 2016 Board effectiveness evaluation and concluded that they did not.

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5. To reappoint James Bowling as a Director.

James Bowling BA (Hons) Econ, ACA (48)

Chief Financial Officer

Appointed to the Board on 1 April 2015

James is a chartered accountant, having started his career with Touche Ross and brings significant financial management, M&A and business transformation expertise to the Board. Prior to joining Severn Trent, James was interim Chief Financial Officer of Shire plc, where he had been since 2005, first as Head of Group Reporting and from 2008 as Group Financial Controller. Prior to joining Shire, James spent nine years at Ford Motor Company in various finance roles of increasing responsibility.

External appointments

None

6. To reappoint John Coghlan as a Director.

John Coghlan BCom, ACA (59)

Independent Non-Executive Director

Appointed to the Board on 23 May 2014

Chairman of the Audit and Treasury Committees

John is a chartered accountant and has a valuable background in financial and general management across a variety of sectors. Currently, John is also a Non-Executive Director of Associated British Ports Companies. Previously, John was a Director of Exel Plc for 11 years to 2006, where he was Deputy Chief Executive and Group Finance Director. Since 2006, John has been a Non-Executive Director of various publicly-quoted and private equity-owned companies.

External appointments

- Non-Executive Director of Associated British Ports Companies
- Chairman of Freight Transport Association Ireland Limited

7. To reappoint Andrew Duff as a Director.

Andrew Duff BSc FEI (58)

Non-Executive Chairman

Appointed to the Board on 10 May 2010 and Chairman on 20 July 2010

Chairman of the Nominations Committee

Andrew's extensive experience of international and regulated business, strategic management and customer service in high profile, dynamic environments, has equipped him well for the role of Chairman of the Group. Andrew spent 16 years at BP in marketing, strategy and oil trading. He joined National Power in 1998 and the Board of Innogy plc upon its demerger from National Power in 2000. He played a leading role in its restructuring and transformation through the opening of competition in energy markets culminating in its subsequent sale to RWE in 2003. He became CEO of the successor Company and a member of the RWE Group Executive Committee. He was a Non-Executive Director of Wolseley Plc from July 2004 until November 2013. Andrew was appointed Non-Executive Deputy Chairman of Elementis plc on 1 April 2014 and became Non-Executive Chairman of Elementis plc on 24 April 2014.

External appointments

- Non-Executive Chairman and Chairman of the Nominations Committee of Elementis plc
- Member of the CBI President's Committee
- Trustee of Macmillan Cancer Support and Earth Trust
- Fellow of the Energy Institute

8. To reappoint Emma FitzGerald as a Director.

Emma FitzGerald MA, DPhil Oxon, MBA (50)

Managing Director, Wholesale Operations

Appointed to the Board on 1 April 2016

Emma joined Severn Trent in July 2015 as Managing Director, Wholesale Operations. Emma was previously CEO of Gas Distribution at National Grid. Prior to joining National Grid, she pursued a 20 year career with Royal Dutch Shell where she held a variety of technical, strategic and general management positions based in Asia and Europe, including Vice President Global Retail Network and Managing Director of Shell China/Hong Kong Lubricants based in Beijing. Emma's experience and expertise brings a huge amount of value in ensuring the delivery of the commitments we have made in our business plan.

External appointments

- BUPA – Association Member
- Non-Executive Director of DCC plc

9. To reappoint Olivia Garfield as a Director.

Olivia Garfield BA (Hons) (41)

Chief Executive

Appointed to the Board on 11 April 2014

Olivia (Liv) brings to the Board a wealth of experience managing customer service delivery and complex infrastructure and organisations in a regulated environment. Before joining Severn Trent, Liv was Chief Executive Officer of Openreach, part of the BT Group, where she spearheaded and oversaw the commercial roll-out of fibre broadband to two thirds of the country. She joined BT in 2002 and held the pivotal roles of Group Director of Strategy and Regulation, Managing Director Commercial and Brands, Global Services and UK Customer Services Director. From 1998 to 2002, Liv worked for Accenture as a consultant in the Communications and High Tech Market Unit, designing and implementing business change solutions across a number of industry sectors.

External appointments

- Director of Water Plus Limited – joint venture with United Utilities

10. To reappoint Dominique Reiniche as a Director.

Dominique Reiniche MBA (61)
Independent Non-Executive Director
Appointed to the Board on 20 July 2016

Dominique has a wealth of operational experience in Europe and has international consumer marketing and innovation experience. Dominique is Independent Vice Chairman of CHR Hansen Holdings A/S and also a Non-Executive Director of Mondi Plc and PayPal (Europe). Dominique started her career with Procter & Gamble AG before moving to Kraft Jacobs Suchard AG as Director of Marketing and Strategy where she was also a member of the Executive Committee. Dominique previously held a number of senior roles at Coca-Cola Enterprises and at Coca-Cola Company, including President – Western Europe, President – Europe and Chairman – Europe. Until December 2015, Dominique was a Non-Executive Director of Peugeot-Citroen SA. Until April 2017, Dominique was a Non-Executive Director of AXA SA.

External appointments

- Non-Executive Director of Mondi Plc
- Non-Executive Director of PayPal (Europe)
- Independent Vice Chairman of CHR Hansen Holdings A/S

The Board carefully considered whether Dominique's external appointments adversely impacted her ability to contribute effectively to her role as Non-Executive Director of Severn Trent as part of the 2016 Board effectiveness evaluation and concluded that they did not.

11. To reappoint Philip Remnant CBE as a Director.

The Hon. Philip Remnant CBE FCA MA (62)
Independent Non-Executive Director
Appointed to the Board on 31 March 2014
Chairman of the Remuneration Committee

Philip is a senior investment banker and brings substantial advisory and regulatory experience to the Board. A chartered accountant, he is Senior Independent Director of Prudential Plc and Chairman of M&G Group Limited, Deputy Chairman of the Takeover Panel, Senior Independent Director of UK Financial Investments Limited and Chairman of City of London Investment Trust plc. Previously, Philip was Vice Chairman of Credit Suisse First Boston Europe and Head of the UK Investment Banking Department. Philip was Director General of the Takeover Panel for two years between 2001 and 2003, and again in 2010. He served on the Board of Northern Rock plc from 2008 to 2010 and from 2007 to 2012 was Chairman of the Shareholder Executive.

External appointments

- Senior Independent Director and member of the Audit, Nomination and Remuneration Committees of Prudential Plc
- Chairman of M&G Group Limited
- Deputy Chairman of the Takeover Panel
- Non-Executive Director of UK Financial Investments Limited
- Non-Executive Chairman of City of London Investment Trust plc
- Governor of Godenough College
- Director and Trustee of St Paul's Cathedral Foundation

12. To reappoint Dr. Angela Strank as a Director.

Dr. Angela Strank BSc PhD CEng FICHEME (64)
Independent Non-Executive Director
Appointed to the Board on 24 January 2014

Chairman of the Corporate Responsibility Committee

Angela brings a wealth of strategic, technical and commercial experience to the Board. Angela is Head of Downstream Technology and Group Chief Scientist at BP plc. She is a member of the Downstream Executive Leadership Team. Angela is responsible for enabling delivery of the Downstream strategic agenda through the development of differentiated technology advantage across the refining, fuels, lubricants and petrochemicals businesses. Since joining BP in 1982, she has held many senior leadership roles around the world in business development, commercial and technology, including in 2012, Vice President and Head of the Chief Executive's Office. In 2010, Angela was the winner of the UK First Woman's Award in Science and Technology in recognition of pioneering UK women in business and industry. Her track record and experience in strategy, operations, technology and transformational change are a complementary addition to the Board's skill set.

External appointments

- Board Governor of The University of Manchester

AUDITORS**13. To reappoint Deloitte LLP as Auditor of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company.**

The Company is required to appoint the Auditor at each General Meeting at which accounts are laid before the Company, to hold office until the next such meeting. The Audit Committee formally tendered the external audit during the 2015/16 financial year which resulted in the recommendation to the Board that Deloitte LLP be reappointed as Auditor. The Board, on the unanimous recommendation of the Audit Committee, which has evaluated the effectiveness and independence of the Company's external auditor, is proposing the reappointment of Deloitte LLP as the Company's statutory Auditor, subject to approval by shareholders at the Annual General Meeting. Details of how the effectiveness and independence of the statutory Auditor are monitored and assessed can be found on page 88 of the 2017 Annual Report.

14. To authorise the Audit Committee of the Board to determine the remuneration of the Auditor.

The Directors may set the remuneration of the auditors if authorised to do so by the shareholders. This Resolution seeks authority for the Audit Committee of the Board, in accordance with standard practice, to set auditor remuneration for 2017/18.

Details of the remuneration paid to the Company's external auditor for 2016/17 be found on page 89 of the 2017 Annual Report.

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POLITICAL DONATIONS

15. Authority to make political donations and incur political expenditure

To authorise, generally and unconditionally, the Company and all companies which are subsidiaries of the Company during the period when this Resolution 15 has effect, in accordance with sections 366 and 367 of the Companies Act 2006 (the '2006 Act') to:

- i) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- ii) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- iii) incur political expenditure not exceeding £50,000 in total,

(as such terms are defined in the 2006 Act) during the period beginning with the date of the passing of this resolution and expiring at the next Annual General Meeting of the Company, or if earlier, close of business on 19 October 2018, provided that the authorised sums referred to in paragraphs i), ii) and iii) above, may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sums, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day on which the Company enters into any contract or undertaking in relation to the same.

Severn Trent does not give any money for political purposes in the UK nor does it make donations to political organisations or incur political expenditure within or outside of the EU. However, the definitions of political donations and political expenditure used in the Act are very wide. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this.

The authority the Company is requesting is precautionary in measure to ensure that the Group does not inadvertently breach the 2006 Act. The Company has no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate.

AUTHORITY TO ALLOT SHARES

16. In accordance with section 551 of the Companies Act 2006 (the '2006 Act'), the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

- a. up to a nominal amount of £77,023,216 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of £77,023,216); and
- b. comprising equity securities (as defined in section 560(1) of the Act) up to a nominal amount of £154,046,432 (such amount to be reduced by the nominal amount allotted or granted under paragraph (a) above) in connection with an offer by way of a rights issue to ordinary shareholders on the register of members of the Company at such record date(s) as the Directors may determine, in proportion (as nearly as may be practicable) to their existing holdings on such date and to holders of other equity securities as required by the rights of those securities, save that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury Shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply until the conclusion of the 2018 AGM (or, if earlier, until the close of business on 19 October 2018) save that during this period, the Company may make offers and enter into agreements during this period which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

At last year's Annual General Meeting the Directors were given authority to allot shares in line with institutional investor guidelines, currently the Investment Association ('IA') guidelines published in July 2016. Resolution 16 will, if passed, renew this authority to allot on broadly similar terms as last year's Resolution.

If Resolution 16 is passed, paragraph (a) would give the Directors authority to allot shares in the capital of the Company up to a maximum nominal amount of £77,023,216 (less any shares issued under the authority in paragraph (b)), representing the IA guideline limit of approximately one third of the Company's issued Ordinary Share capital (excluding Treasury Shares) as at 22 May 2017, being the latest practicable date before the publication of the Notice.

In line with guidance issued by the IA, paragraph (b) would give the Directors authority to allot shares or grant rights to subscribe for or convert any securities into Ordinary Shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount of £154,046,432 (less any shares issued under the authority in paragraph (a)), representing the IA guideline limit of approximately two thirds of the Company's issued Ordinary Share capital (excluding Treasury Shares) as at 22 May 2017, being the latest practicable date before the publication of the Notice.

The authorities sought under paragraphs (a) and (b) of this Resolution will expire at the conclusion of the 2018 AGM (or, if earlier, the close of business on 19 October 2018). The Directors have no present intention of allotting new Ordinary Shares, except in connection with the Company's employee share schemes. However, the Directors consider it appropriate to maintain the flexibility this authority provides and may consider issuing shares if they believe it would be appropriate to do so in respect of business opportunities that may arise consistent with the Company's strategic objectives. As at 22 May 2017, being the latest practicable date before the publication of the Notice, the Company holds 4,080,964 Ordinary Shares in treasury.

AUTHORITY TO DISAPPLY PRE-EMPTION RIGHTS

17. That, subject to the passing of Resolution 16, the Directors be given power, in accordance with section 570 and section 573 of the Companies Act 2006 (the '2006 Act') to allot equity securities (as defined in the 2006 Act) for cash under the authority given by that resolution and to sell Treasury Shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale, such authority to be limited:

- a. to the allotment of equity securities and sale of Treasury Shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 16, by way of a rights issue only):**
 - i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and**
 - ii. to holders of other equity securities, as required by the rights of those securities, or as the Directors otherwise consider necessary,**

save that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury Shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- b. in the case of the authority granted under paragraph (a) of Resolution 16 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of Treasury Shares (otherwise than under paragraph (a) of this resolution) up to a nominal amount of £11,553,482,**

such authority to apply until the conclusion of the 2018 AGM (or, if earlier, until the close of business on 19 October 2018), save that during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and Treasury Shares to be sold) after the power ends and the Directors may allot equity securities (and sell Treasury Shares) under any such offer or agreement as if the power had not ended.

If the Company allots new equity securities or sells Treasury Shares for cash (other than in connection with an employee share scheme), it is required by the 2006 Act to first offer the securities to existing shareholders in proportion to their existing holdings (known as pre-emption rights) but the Board may seek shareholder approval to disapply pre-emption rights or issue equity securities on a non-pre-emptive basis.

The effect of this resolution is to renew the authority given to the Board in previous years to allot equity securities (which for these purposes includes the sale of Treasury Shares) on a non-pre-emptive basis to ordinary shareholders by way of a rights issue, for example where legal or practical difficulties in jurisdictions outside the UK may prevent the allocation of shares on a pro rata basis. In line with the Pre-Emption Group Statement of Principles 2015 ('Statement of Principles') Resolution 17 would also grant the authority to allot a limited number of equity securities (equivalent to 5% of the issued ordinary share capital as at 22 May 2017) for cash without first offering them to existing shareholders.

The authority in this Resolution 17 would remain in force until the end of the AGM in 2018 or the close of business on 19 October 2018, whichever is the earlier.

Annual renewal of this authority is sought in accordance with best practice, and in line with the Statement of Principles. There are no current plans to make use of the authority contemplated by this Resolution 17, but the Board wishes to ensure that the Company has maximum flexibility in managing the Group's capital resources and financing business opportunities as they arise. The Company does not intend to exercise the authority granted by this Resolution 17 to issue more than 7.5% of its issued ordinary share capital on a non-pre-emptive basis in any rolling three-year period, without prior consultation with shareholders.

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18. That, subject to the passing of Resolution 16, the Directors be given power, in accordance with section 570 and section 573 of the Companies Act 2006 (the '2006 Act') and in addition to any authority granted under Resolution 17, to allot equity securities (as defined in the 2006 Act) for cash under the authority given by that resolution and to sell Treasury Shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale, such authority to be:

- a. limited to the allotment of equity securities or sale of Treasury Shares up to a nominal amount of £11,553,482 (being approximately 5% of the issued share capital as at 22 May 2017, the date of this Notice); and
- b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

such authority to apply until the conclusion of the 2018 AGM (or, if earlier, until the close of business on 19 October 2018), save that during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and Treasury Shares to be sold) after the power ends and the Directors may allot equity securities (and sell Treasury Shares) under any such offer or agreement as if the power had not ended.

This resolution would give the Directors the authority to allot additional equity securities or sell Treasury Shares (up to approximately 5% of the current issued ordinary share capital as at 22 May 2017) for cash without first offering them to existing shareholders. Together with Resolution 17 (if passed) this would give the Company the authority to disapply pre-emption rights over 10% of its issued share capital, up to a nominal amount of £23,106,964 as at 22 May 2017.

The additional authority is being sought in line with the Statement of Principles, which now permits a total authority covering 10% of the issued share capital provided that 5% of this is sought in a separate resolution and limited to use for acquisitions or capital investments.

The authority to allot an additional 5% of the current issued share capital as at 22 May 2017 requested in this Resolution 18 would be used only in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

If given, the authority in this Resolution 18 would remain in force until the end of the AGM in 2018 or the close of business on 19 October 2018, whichever is the earlier.

The Board has no current plans to make use of the authority contemplated by this Resolution 18 but considers that it is in the best interests of shareholders generally that the Company has maximum flexibility in managing the Group's capital resources and financing business opportunities as they arise.

AUTHORITY TO PURCHASE OWN SHARES

19. To authorise, generally and unconditionally, the Company to make market purchases (within the meaning of section 693(4) of the Companies Act 2006 (the '2006 Act')) of its Ordinary Shares, on such terms and in such manner as the Directors may from time to time determine provided that:

- i) the Company may not purchase more than 23,603,888 Ordinary Shares;
- ii) the Company may not pay less than 97¹⁷/₁₉ pence for each Ordinary Share; and
- iii) the Company may not pay, in respect of each Ordinary Share, more than the higher of (a) 5% over the average of the middle market price of an Ordinary Share based on the London Stock Exchange Daily Official List, for the five business days immediately before the day on which the Company agrees to buy such Ordinary Share, and (b) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 19 will be carried out

and this authority shall expire at the conclusion of the next Annual General Meeting of the Company, or if earlier, close of business on 19 October 2018, save that the Company may make a contract, before this authority ends, to purchase Ordinary Shares where the purchase is or may be completed (fully or partly) after this authority ends and may purchase its Ordinary Shares pursuant to any such contract.

This resolution would enable the Company to buy back its own Ordinary Shares in the market. The Board considers it desirable to have the general authority to do this in order to provide maximum flexibility in the management of the Group's capital resources. However, the authority would only be used if the Board was satisfied at the time that to do so would be in the best interests of shareholders.

The authority would be restricted to a maximum of 23,603,888 Ordinary Shares. This is not more than 10% of the issued share capital as at 22 May 2017. Should the Board decide to purchase some of the Company's own shares, existing rights to subscribe for shares would represent a marginally increased proportion of the current issued share capital. Details are as follows:

- The total number of Ordinary Shares that may be issued on the exercise of outstanding options as at 22 May 2017 is 2,786,071, which represents approximately 1.18% of the issued share capital at that date. As at 22 May 2017 there were no warrants over Ordinary Shares outstanding.
- If the Company were to purchase shares up to the maximum permitted by this resolution, the proportion of Ordinary Shares subject to outstanding options would represent approximately 1.31% of the issued share capital.

Under the 2006 Act, the Company may hold any shares bought back in treasury, which may then either be sold for cash, transferred for the purposes of an employees' share scheme or cancelled. The Company therefore has the choice of either cancelling or holding in treasury any of its shares which it purchases. If the Company buys any of its shares under the authority given by this resolution, the Board will decide at the time of purchase whether to cancel them immediately or to hold them in treasury. In relation to Treasury Shares, the Board would also have regard to any investor guidelines in relation to the purchase of shares intended to be held in treasury or in relation to their holding or resale which may be in force at the time of any such purchase, holding or resale.

The authority will remain in force until the end of the AGM in 2018 or the close of business on 19 October 2018, whichever is earlier.

GENERAL MEETINGS

20. To authorise General Meetings of the Company, other than Annual General Meetings, to be called on not less than 14 clear days' notice.

The 2006 Act requires listed companies to call general meetings on at least 21 clear days' notice unless shareholders have approved the calling of general meetings at shorter notice. To retain flexibility, Severn Trent wishes to retain the option of calling general meetings, other than an AGM, on 14 clear days' notice. The effect of this resolution is to continue to give the Directors the power to call general meetings on a notice period of not less than 14 clear days.

The 14 day notice period would therefore only be used in circumstances where the flexibility needed is merited by the business of the meeting (for example, because the business of the meeting is time sensitive) and is thought to be to the advantage of shareholders as a whole. If this authority is used, the Company would then expect to explain, in its next Annual Report, the reasons for taking such action.

By order of the Board

Bronagh Kennedy

General Counsel and Company Secretary
 Severn Trent Plc
 Severn Trent Centre
 2 St John's Street
 Coventry CV1 2LZ
 Registered in England and Wales
 Registration No. 2366619

22 May 2017

General notes

Entitlement to attend and vote

To have the right to attend and vote at the Meeting (and also for the purposes of calculating how many votes a person may cast) a person must have their name entered on the register of members of the Company at 6.30pm on Monday 17 July 2017 (or, if the Meeting is adjourned, at 6.30pm on the day which is two days prior to the date fixed for the adjourned Meeting). Changes to entries on the register after this time will be disregarded in determining the rights of any person to attend or vote at the Meeting.

Persons who are not shareholders of the Company (or duly appointed proxies or corporate representatives) will not be admitted to the Meeting unless prior arrangements are made with the Company.

Appointment of proxies

A shareholder entitled to attend and to vote at the Meeting is entitled to appoint another person or persons (who need not be a shareholder of the Company) to attend the Meeting, and any adjournment thereof, to exercise all or any of his or her rights to attend, speak and vote at the Meeting. A shareholder can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to different shares held by him or her. Forms of Proxy should be deposited at the office of the Company's registrar, Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA not less than 48 hours before the time for holding the Meeting. Appointing a proxy does not preclude you from attending the Meeting and voting in person. Further details are set out in the notes to the Form of Proxy.

To change your proxy instructions you may return a new proxy appointment using the methods set out below. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact the Company's registrar, Equiniti on 0371 384 2967 or +44 121 415 7044 if calling from outside the UK. Lines are open 8.30am to 5.30pm Monday to Friday, excluding public holidays in England and Wales. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others, save that where both paper and electronic proxy instructions are returned then, in the absence of other evidence, those received last by the Company's registrar, Equiniti, will take precedence.

Electronic proxy voting

Shareholders may register the appointment of a proxy online at www.sharevote.co.uk where full details of the procedure are given. The website is operated by the Company's registrar, Equiniti. Shareholders are advised to read the terms and conditions relating to the use of this facility before appointing a proxy. These terms and

conditions may be viewed on the website. Any electronic communication sent by a shareholder that is found to contain a computer virus will not be accepted. Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged in any way.

Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual.

All messages relating to the appointment of a proxy, or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be received by Equiniti (ID RA19) not later than 11am on Monday 17 July 2017 or, if the Meeting is adjourned, 48 hours before the time for holding the adjourned Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Employee share schemes

An employee whose shares are held by the trustee of the Severn Trent Share Incentive Plan (the 'Trustee') is not entitled to attend the Meeting in respect of those shares. However, the employee can instruct the Trustee how to vote on his or her behalf on any resolution set out in the Notice. Forms of Direction will be sent to those employees concerned and should be returned to the address on the reverse of the form so as to be received not later than 11am on Thursday 13 July 2017. Employees may also instruct the Trustee how to vote through the www.sharevote.co.uk website.

Shareholder questions

The Company must cause to be answered at the Meeting any question relating to the business being dealt with at the Meeting which is put by a member attending the Meeting, except (i) if to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (ii) if the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

Information rights

A copy of the Notice has been sent for information only to persons who have been nominated by a shareholder to enjoy information rights under section 146 of the Companies Act 2006 ('2006 Act') [a 'Nominated Person']. The right to appoint a proxy cannot be exercised by a Nominated Person; it can only be exercised by the shareholder. However, a Nominated Person may have a right under an agreement between him or her and the shareholder by whom he or she was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he or she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.

Audit statements

Shareholders satisfying the thresholds in section 527 of the 2006 Act can require the Company to publish a statement on its website setting out any matter relating to a) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Meeting; or b) any circumstances connected with the Auditor of the Company ceasing to hold office since the last Annual General Meeting, that the shareholders propose to raise at the Meeting. The Company cannot require the shareholders requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required to publish on its website.

Corporate representatives

A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Meeting. In accordance with the provisions of the 2006 Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

Electronic communication service

Shareholders are reminded that they may receive shareholder communications from the Company electronically. The electronic communication service offers the following benefits:

- the Company's full Annual Report and Accounts can be viewed on the day they are published;
- your votes on resolutions to be proposed at General Meetings of the Company can be cast electronically;
- important shareholder communications may be received electronically; and
- you can see details of your individual shareholdings quickly and securely online.

If you wish to take advantage of this service you may register your request with the Company's registrar, Equiniti, on their website at www.shareview.co.uk

A shareholder may not use any electronic address provided in this Notice to communicate with the Company for any purposes other than those expressly stated.

Total voting rights

As at 22 May 2017, being the latest practicable date before the publication of this Notice, the Company's issued and voting share capital consisted of 240,119,851 Ordinary Shares of 97¹⁷/₁₀₀ pence, each carrying one vote each. Therefore the total number of voting rights in the Company is 236,038,887. The Company current holds 4,080,964 Ordinary Shares in treasury.

Website

The contents of this Notice, details of the total number of shares in respect of which shareholders are entitled to exercise voting rights at the Meeting, the total voting rights that shareholders are entitled to exercise at the Meeting and, if applicable, any shareholders' statements, shareholders' resolutions or shareholders' matters of business received by the Company after the date of this Notice will be available on the Company's website, www.severntrent.com

Inspection of documents

The following documents, are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excepted), from the date of this Notice until and including the day of the Meeting and may be inspected at the Ricoh Arena, Phoenix Way, Coventry, CV6 6GE from 10am on the day of the Meeting: copies of the Executive Directors' service contracts with the Company; and copies of the Non-Executive Directors' letters of appointment together with a copy of the Company's Articles of Association.

General notes



Getting to the Meeting

How to find the Ricoh Arena

The Meeting will be held at the Ricoh Arena, which is situated just outside Coventry City Centre.

From the North/East

From the M6, exit at junction 3.

At the roundabout, take 2nd exit onto Phoenix Way – A444 (signposted Coventry).

At the next roundabout, take the 1st exit onto Rowleys Green Lane.

At the next roundabout take 2nd exit onto Judds Lane.

Arrive at Ricoh Arena.

From the South

From the M40, exit at junction 15.

At the roundabout, take 4th exit onto Warwick Bypass – A46 (signposted Coventry).

Continue forward to join the A444 (signposted City Centre) and join London Road – A114.

At the roundabout, take 2nd exit onto the Ring Road.

Leave the Ring Road at junction 3, take 2nd exit onto Sky Blue Way.

At the next roundabout, take 1st exit onto A444 (signposted Nuneaton).

Continue forward on A444, straight on at roundabouts until you see the Ricoh Arena.

At the roundabout, when Ricoh Arena is on right-hand side, take 3rd exit onto Rowleys Green Lane.

At the next roundabout, take 2nd exit onto Judds Lane.

Arrive at Ricoh Arena.

Car parks

On-site car parks available are A, B & C. It is not required to pre-book on-site parking for exhibitions. Please park in car park A unless stated otherwise.

Blue badge parking bays are available in all on-site car parks. Please display your blue badge at all times.

Please be aware that there is NO parking available in side streets near the venue. A strict residents' parking scheme is enforced within two kilometres of the Ricoh Arena.

By rail

Alight at Coventry Arena train station. The Ricoh Arena is within walking distance and clearly signposted.

Alternatively, alight at Coventry train station. The railway station is in the City Centre and approximately six miles away. There is a taxi rank immediately outside the station and it is roughly a 10 to 15 minute journey to the Ricoh Arena.

Complimentary Shuttle Bus Service

Severn Trent are delighted to offer complimentary transport to the Annual General Meeting on 19 July 2017. The Shuttle Bus will run from Coventry Train Station to the Ricoh Arena with Severn Trent marshalls available at the station and on the buses to assist you if required.

The Shuttle Bus will run at the following times:

- Depart Coventry Station: 9.20 am & 9.50 am
- Return to Coventry Station: 1.30 pm & 2.00 pm

Public Transport

First take the number 8 bus from Coventry Train Station to Coventry Transport Museum. Afterwards, catch the number 4 or number 5 from Coventry Transport Museum to Arena Park (Tesco). Once you arrive at Arena Park there is an underpass which takes you into Car Park B of the Ricoh Arena. Follow signs for the Ricoh Arena main entrance from here.

Taxi: For a local taxi service please visit www.mgmtaxi.co.uk or call 02476 375550

Arrival and refreshments

Doors will open at 10am. Severn Trent marshalls will be available to deal with queries and to show shareholders into the registration and exhibition areas. Shareholders will have the opportunity to meet the Directors prior to the Meeting.

Coffee, tea and biscuits will be available before the Meeting and there will be a light lunch available after the Meeting. Unfortunately, we are not able to offer facilities for young children.

Shareholders with special needs

Arrangements have been made to offer assistance at the Meeting to our shareholders with special needs. If you are disabled, please make yourself known to a Severn Trent marshal on arrival. If you have a companion to assist you, he/she will be admitted to the Meeting. Guide dogs will also be allowed into the Meeting. If you are deaf or hard of hearing, headsets will be provided. There will also be sign language interpreters in attendance.