

Overview of the offer for customers

Customer service is very much at the heart of our culture at Severn Trent. We see this as the cornerstone of our business and we will look to build on the combined skills and experience of both businesses.

We continue to believe that an acquisition of Dee Valley by Severn Trent Water would provide a very successful outcome for Dee Valley customers, and in our offer we have said:

- We'll look to build on the customer service record that Dee Valley has achieved and will:
 - Extend support for vulnerable customers by providing a range of discounts for those that need help paying their bills. Some customers can get up to 90% off their water bills;
 - Launch 24/7 customer support so people can contact us at any time of the day or night, through a range of channels, including web chat, social media, telephone and email;
 - Extend our digital philosophy by equipping and training frontline teams so they can use new technology to help improve operational response times for customers.
- We serve a wide area of mid-Wales and England and pride ourselves on the lovely local feel we have in our business. Serving our local communities is core to our purpose and this would apply to the communities in the Dee Valley.
- We believe that both businesses will benefit from being part of a larger business. We'll share half of any wholesale cost savings with customers, which will be reflected in future bills.
- Both companies have a strong track record of maintaining low bills for their customers. Dee Valley currently has low water only bills, and Severn Trent has the lowest average combined water and waste water bills in the whole of Britain.
- We intend to protect the local heritage of the Dee Valley business. We plan to run it under a separate Welsh licence out of the existing Wrexham and Chester locations. Once the acquisition completes, our intention is to move all of our existing Severn Trent customers in Wales into the Dee Valley licence. That way all of our customers in Wales are served by a Welsh licence.

Responsibility

The Severn Trent Directors, whose names are set out in paragraph 2.3 of Part 11 of the acquisition document dated 2 December 2016, accept responsibility for all the information contained in this leaflet. To the best of the knowledge and belief of the Severn Trent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this leaflet for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Some of our awards



Employer of the Year, Engineering and Manufacturing - Asian Apprenticeship Awards 2016



Macro Employer of the Year for the West Midlands - National Apprenticeship Awards 2016



Utility of the Year 2016 - Home Builders Federation of England and Wales



Best Vulnerable Customer Support Team - Utilities & Telecoms Conference 2016



Data Project of the Year - Water Industry Achievement Awards 2016



Job Crowd – Top 100 Company to work for 2016



FTSE4Good
Awarded FTSE4Good status in 2016



Forum Hero Award - Customer Contact Innovation Awards 2016



Environment Award - Utility Week Awards 2015 (2016 awards are on 12/12)



Apprentice Of The Year Awards 2016

Coventry & Warwickshire Apprentice of the Year 2016

Important Notice

This leaflet is not a summary of the acquisition document dated 2 December 2016 to which it relates and should not be regarded as a substitute for reading that acquisition document in full. To the extent there is any conflict between the wording in the English version of this leaflet and the Welsh version, the English version shall prevail.

OVERVIEW FOR EMPLOYEES AND CUSTOMERS OF SEVERN TRENT'S REVISED OFFER FOR DEE VALLEY GROUP

Os hoffech gyfieithiad Cymraeg o'r ddogfen hon ewch i dudalennau Dee Valley Water offer ar severntrent.com



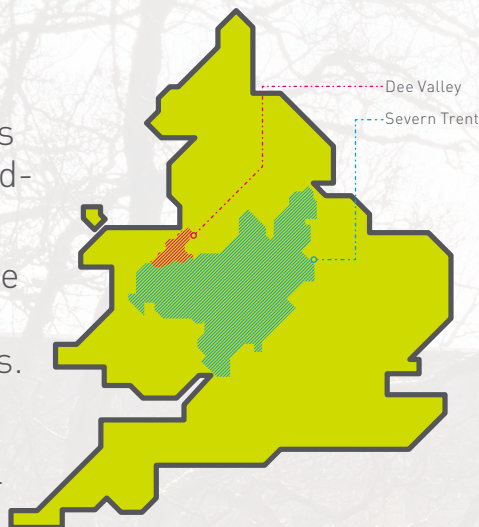
About Severn Trent

Our c.5,100 employees provide water and waste water services to 4.3 million households in mid-Wales and the Midlands.

Almost all of our employees are customers too, so we think we have a lovely local feel about us.

Our vision is to be the most trusted water company by 2020, and that is why our customers are at the heart of our strategy. We're therefore really proud that:

- We have the lowest combined average water and waste water bills in Britain. It means that on average our customers pay less than £1 a day for all their clean and waste water services.
- A recent report by the Consumer Council for Water showed that we were the second best water and waste water company for handling customer complaints.
- Ofwat confirmed in October 2016 that they were giving us a significant reward for outperformance against the things that our customers told us mattered most to them. These included reducing sewer flooding, reducing leakage and decreasing pollutions.
- We help our customers that need it most. We're proud to have a range of measures to help those who struggle to pay their bills, including up to a 90% discount. We've trebled



the number of customers we've supported in the last year and have helped over 36,000 customers reduce their bills.

- We have committed to invest the equivalent of £700 for every home and business we serve in our region between 2015 and 2020. This is helping us to upgrade pipes, reservoirs and treatment plants to ensure we deliver the very best customer service every single day.
- We generate 35% of our energy needs through renewable sources and have pledged to increase this to 50% by 2020.
- We have been awarded the Environment Agency's highest 4 star rating for environmental leadership and outperformance.
- We're recognised as a good employer as shown through our recent award wins.



Overview of the offer for employees

We really value the skills, operational experience and technical expertise of everyone at Dee Valley. We can see Dee Valley employees are passionate about the business and we want to build on that.

Yes some things will change, but what won't change will be our commitment to treating all employees with respect and honesty as we bring our two businesses together. In our offer we have said that we will:

- Continue to operate out of Dee Valley's existing locations in Wrexham and Chester.
- Protect all front line field force operations. This is the majority of roles at Dee Valley. It will include skills such as operations, operational control, maintenance and construction of the network and treatment works.
- Integrate Dee Valley's engineering, asset management and programme management skills into the wider group. We'll work with local employees on how best to do this.
- Work with Dee Valley's customer contact centre team to make sure the local customer focus, skills and expertise of local employees are preserved where possible, while taking advantage of the capabilities of the combined group.
- Honour all the contractual terms and conditions, and employment rights (including in relation to pensions), of all Dee Valley employees. That means we'll honour the 2016/17 Dee Valley staff bonus scheme. Severn Trent very much believes in creating a winning culture that incentivises employees to deliver the best outcome for customers.
- Honour Severn Trent and Dee Valley's policies that everyone who isn't on a training rate of pay receives at least the Living Wage.
- Invest in skills and careers. We pride ourselves on career development and offering people the chance to excel. We plan to roll out our recognised graduate programme and award winning apprentice schemes across the Dee Valley region.
- Give employees new technology - especially when they're out in the field so we can improve the customer and employee experience.
- Roll out our best practice Health, Safety and Wellbeing approach across the Dee Valley business.
- Perform a review of how best to integrate Dee Valley's managerial, administrative and support services. While we believe that there will be some element of duplication of these roles which will involve headcount reductions and/or changes in location, we will offer everyone the option to apply for vacant career opportunities across the wider Severn Trent group. We have c.5,100 employees so there are opportunities available regularly. For example our nearby Shrewsbury site has a number of vacancies that already exist today.