

Return your form by
27 March 2014
to participate

12 February 2014

This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional advisor authorised under the Financial Services and Markets Act 2000.

Dear Shareholder,

Severn Trent Plc Share Dealing Service

I am writing to tell you about a service which we are pleased to offer to our UK resident shareholders for a limited period. This easy to use service, which we have arranged with Equiniti Financial Services Limited (Equiniti), is now available to shareholders who wish to sell or buy shares or donate their sale proceeds to charity by post. Please read the **Useful Information** overleaf and Equiniti's Terms and Conditions for more details.

So, what are the options?



Sell Shares

Option 1: Sell all your shares – Just sign the enclosed form and post it back to Equiniti with your certificate(s) in the envelope provided and Equiniti will do the rest. It costs just £1.30 per share, up to a maximum of £50, to sell. Equiniti will post your cheque to you within two working days of the sale of your shares. Even if you can't find your certificate(s), you may still be able to sell your shares. Turn to the **Useful Information** overleaf for more details.



Buy Shares

Option 2: Buy more shares – Just complete and sign the form enclosed and return it with your cheque in the envelope provided. It costs £50 per purchase regardless of the amount invested, plus stamp duty reserve tax.



Charity Donation

Option 3: Give to charity – A free service enabling you to sell your shares and donate the proceeds to the charity WaterAid. Just write **WATERAID** in the **Give to charity** box on the form, then sign and return it.

Of course, this is not a recommendation to take any action, and if you do not wish to sell or buy shares then you don't need to return the enclosed form.

If I want to use this service, when do I need to return my form by?

If you would like to take advantage of any of these options, your completed form and any accompanying documentation must be received by Equiniti no later than **Thursday 27 March 2014**. There's more information about each of these options in the **Useful Information** overleaf.

Alternatively, if you prefer to deal online, please visit www.shareview.co.uk/dealing. To deal by phone, please call 08456 037 037. This telephone number is to give an instruction to sell or buy shares only. If you wish to contact Equiniti with an enquiry, please turn to the **Useful Information** overleaf for the Equiniti Helpline number. Please note that different charges and terms and conditions apply to the online and phone share dealing services. Full details of these can be found at www.shareview.co.uk/dealing.

What else do I need to know?

The value of shares and any income from them can fluctuate and you may get back less than you invested.

Yours sincerely

Bronagh Kennedy
General Counsel and Company Secretary

Useful Information

Questions and Answers

1. Who can use this service?

Shareholders who hold 400 or fewer Severn Trent Plc shares and have a UK registered address.

2. How many shares can I sell?

This service can only be used to sell your entire holding of Severn Trent Plc shares. Your current holding is shown on the form.

3. How do I sell my Severn Trent Plc shares?

Sign the form and return it with your share certificate(s) in the envelope provided.

4. How can I tell if my share certificate(s) are valid?

Only share certificates in the name of Severn Trent Plc dated 9 October 2006 or later are valid.

5. What if I can't find my share certificate(s) or my share certificate(s) are invalid?

You may still be able to sell your shares. If you have invalid/missing share certificate(s) worth less than £5,000 in value, please see 'Lost or Invalid Share Certificate(s)' below. If your invalid/missing share certificate(s) are worth more than £5,000 then you will need to contact the Equiniti Helpline on 0871 384 2967* for further advice before you can sell your shares using this service.

6. What will I be charged?

Selling – £1.30 for each share you sell with a maximum charge of £50.

If you are missing share certificate(s) for more than 15 shares but less than £5,000 in value, you do not enclose all your share certificates or you enclose invalid share certificates, an additional charge of £20 will be deducted from your sale proceeds. There is no sale or lost certificate charge if you donate your share sale proceeds to WaterAid.

Buying – a flat fee of £50 will be charged regardless of the amount invested. In addition, stamp duty reserve tax is also payable on purchases currently at the rate of 0.5% of the transaction value.

7. What do I need to do to update my details on the register?

If your details need to be updated on the register before the sale or purchase of shares, please enclose the relevant documentation (see 'Do your account details need updating?' below). An administration charge of £20 will be payable for all register updates required. If you take advantage of either or both the lost share certificate and register update services, only one charge of £20 will be payable. The register updates possible are shown below.

8. When will my shares be sold?

Dealing normally happens daily for forms received up to the close of business the previous business day.

9. If I am selling shares, when will I receive my sale proceeds?

A sale advice and cheque for your sale proceeds will be posted to you two working days after your shares have been sold.

10. How do I buy more Severn Trent Plc shares?

Complete Option 2 and sign the form and return it with your cheque made payable to **Equiniti Financial Services Limited** in the envelope provided. Cheques must be drawn on a UK Bank or Building Society account in the name of the shareholder. We cannot accept third party cheques.

11. When will my shares be bought?

Shares will be bought within five working days following receipt of your cheque and instruction to ensure cleared funds are available to purchase shares. A purchase advice will be sent to you two working days after your shares have been bought.

12. How many shares can I buy?

You can invest from £500 to £10,000 in Severn Trent Plc shares, including charges.

13. If I am buying shares, when will I receive my share certificate?

Your share certificate will be sent to you within three weeks of your purchase.

14. Where can I find the share price for Severn Trent Plc?

Recent prices can be found in the share listings of most national newspapers or at Severn Trent Plc's website at www.severntrent.com. Please note that the share price may alter significantly from the date that you decide to deal to the time when the shares are either sold or bought.

15. How long will the service be available for?

The last date for instruction forms to reach us is Thursday 27 March 2014. The last dealing date for sales will be Friday 28 March 2014 and the last dealing date for purchases will be Friday 4 April 2014.

Helpline: 0871 384 2967

*Calls are charged at 8p per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday.

Lost or Invalid Share Certificate(s)

This Declaration and Undertaking applies only to shareholders who have not enclosed valid or sufficient share certificates with their form.

If you are missing valid certificate(s) for 15 shares or fewer there won't be a lost certificate charge. If the missing or invalid certificate(s) is/are for more than 15 shares but less than £5,000 in value, a lost certificate charge of £20 will be deducted from your sale proceeds.

Declaration and Undertaking for Lost or Invalid Share Certificate(s)

To Severn Trent Plc, Equiniti Financial Services Limited and Equiniti Limited, Registrar of Severn Trent Plc:

In consideration of your registering a transfer relating to the sale of shares through this service without production of the relevant valid share certificate(s) which has/have been lost, stolen or destroyed, I/we jointly and severally agree:

- to return immediately to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom the original valid share certificate(s) if found;
- to indemnify each of you against all claims, demands, liabilities, costs, charges and expenses that may be brought against or incurred by you arising out of or in connection with the original valid share certificate(s) still being in existence or the registration of a transfer as specified above;
- if legal proceedings are instituted against you in connection with any such claim, from time to time upon demand, to provide you with the funds you require to defend those proceedings and if I/we do not do so you shall be entitled to admit or settle those proceedings on the terms as you decide without prejudice to your right of recourse to me/us; and
- to pay the lost certificate charge.

Do your account details need updating?

If your details need to be updated on the register before the sale or purchase of shares, please enclose the relevant documentation.

- Change of address (amend the enclosed form)
- Change of name (will require certified documentation)
- Death of a joint holder (will require certified documentation)
- Register a Grant of Representation* (will require sealed documentation).

Any other changes will still be actioned but may result in a delay in the sale or purchase of shares.

An administration charge of £20 will be payable for any register updates required. By signing the form you are agreeing to this charge.

If you take advantage of either this service, the Lost or Invalid Share Certificate service or both only one charge of £20 will be payable.

* If this documentation has been addressed to 'The Personal Representatives of' this indicates that we have been previously made aware that the shareholder has passed away. However, in order to formally record the death and to enable use of this service, we require sight of the Grant of Representation.

Donations to WaterAid

Arrangements have been made for shareholders, if they wish, to donate all the proceeds from the sale of their shares to Severn Trent's nominated charity, WaterAid; registered charity no. 288701 (England and Wales) and SC039479, (Scotland). Equiniti Financial Services Limited have agreed to make no charges for selling your shares if you choose to donate the proceeds to WaterAid through this service.

If you donate your share sale proceeds to WaterAid, you will receive a sale advice providing details of your donation. Further information about WaterAid may be obtained from www.wateraid.org or by contacting the Supporter Care Team at WaterAid on 020 7793 4594.

If you are a UK tax payer you can increase the value of your gift to charity by up to 25% at no extra cost to yourself by authorising WaterAid to reclaim tax from HM Revenue & Customs through Gift Aid.

To qualify for Gift Aid the amount you pay in Income Tax and/or Capital Gains Tax for each tax year (6 April one year to 5 April the next) must be at least equal to the amount of tax that WaterAid will reclaim on your gifts for that tax year.

Higher rate tax payers can claim tax relief at the difference between basic rate tax and higher rate tax.

Gift Aid is not available to the Personal Representatives of deceased shareholders.



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|--------------------------------|---------------------------|
| Number of shares you hold | Shareholder reference no. |
| Example price per share | |
| Estimated value of your shares | |

The above share price and estimated value are based on a recent closing price for each Severn Trent Plc ordinary share on the London Stock Exchange. This is therefore only an example and if you should choose to sell your shares in Severn Trent Plc, the value of your shares may be higher or lower depending upon the actual price on the day they are sold. If you are selling shares, Equiniti Financial Services Limited will deduct any applicable charges from the sale proceeds.

Option 1 – Sell your shares

If you wish to sell all your Severn Trent Plc shares as shown above, just sign this form in the box below and return it with your certificate(s) in the envelope provided. Only share certificates in the name of Severn Trent Plc dated 9 October 2006 or later are valid. It costs £1.30 per share up to a maximum of £50 to sell.

I/We appoint Equiniti Financial Services Limited as agent to arrange to sell the number of Severn Trent Plc shares shown in the box above in accordance with the terms and conditions of the service which I/we have read and retained.

I/We declare that I/we have the right to sell these shares, free from any liens, charges and any other third party rights.

I/We authorise Equiniti Financial Services Limited to execute a transfer to give effect to the sale of my/our shares.

If in the event that I/we cannot find my/our share certificate(s) or only have invalid certificate(s) to enclose with my/our form, by signing this form I am/we are agreeing to the Declaration and Undertaking for Lost or Invalid Share Certificate(s). If my/our details need updating, I/we agree to the registration update charge of £20.

Option 2 – Buy more shares

Enter the amount of money you wish to invest and sign below. £ (Minimum £500, maximum £10,000)

A flat fee of £50 will be charged regardless of the amount invested. In addition, stamp duty reserve tax is also payable on purchases currently at the rate of 0.5% of the transaction value. These fees will be deducted from the amount you invest.

Please attach your cheque made payable to **Equiniti Financial Services Limited**.

Cheques must be drawn on a UK Bank or Building Society account in the name of the shareholder. We cannot accept third party cheques.

I/We appoint Equiniti Financial Services Limited as agent to arrange to buy Severn Trent Plc shares in accordance with the terms and conditions of the service. The shares will be purchased in the name(s) shown above. I/We authorise any person nominated by Equiniti Financial Services Limited to send a share certificate to the first named holder, by post at my/our own risk. If my/our details need updating, I/we agree to the registration update charge of £20.

Option 3 – Give to charity

To use our free service and donate all your sale proceeds to WaterAid, please write **WATERAID** in the box below.

Gift Aid: If you are a UK taxpayer and also wish WaterAid to increase the value of your donation at no extra cost to yourself by reclaiming tax, please mark an **X** in this box. Please refer to the notes in the **Donations to WaterAid** section.

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If you wish to use this service please sign here – All shareholders must sign

To sell, buy or give to charity please sign below. By signing and returning this form you are confirming you want to participate.

Your date of birth and National Insurance Number are required for identification purposes. Failure to supply this information will mean your instruction may be rejected. Money laundering checks may also delay your instruction, the issue of sale proceeds or share certificates.

Your date of birth may assist with any money laundering checks required. If additional information is necessary, we will contact you.

If you are happy with your current shareholding no further action is required and you should not return this form.

Return your completed form in the enclosed reply paid envelope by **Thursday 27 March 2014** to:
Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6JA, United Kingdom.

If you are signing under a Power of Attorney or other authority, please also print your name here

Signature:
Date of Birth:
National Insurance Number:

Signature:
Date of Birth:
National Insurance Number:

Signature:
Date of Birth:
National Insurance Number:

Signature:
Date of Birth:
National Insurance Number:

Date

Telephone

For more information please read the **Useful Information** on the reverse of the letter or call the Helpline on 0871 384 2967. Calls to this number are charged at 8p per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday.

FOR OFFICE USE ONLY

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Certificate(s) verified

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Lost Certificate(s)