

NOTICE OF MEETING 2020

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,**

I am writing to you for the first time as Chair of Severn Trent Plc in the most extraordinary circumstances, as the impacts of COVID-19 are being felt across the globe. It is a privilege for me to have been asked by your Board to take up the role of Chair, at a time when we need to navigate our way through the current volatility caused by the impact of COVID-19. As a socially purposeful Company, we have considered how we can make a positive impact for the good of our stakeholders but also for wider society and you can read more about this work on pages 10 to 11 of our Annual Report and Accounts.

Our utmost priority is ensuring the safety and wellbeing of employees, customers and the wider community, particularly those who are vulnerable. As a consequence, to ensure the health and safety of our shareholders, unfortunately we are not able to hold our AGM in the usual way this year. Shareholders' views are very important to us and while your Board is disappointed not to have the opportunity to meet shareholders in person, I hope you will use the alternative arrangements described later in my letter to engage with us this year.

The following pages contain the Notice of Meeting of the 2020 Annual General Meeting (the 'AGM') of Severn Trent Plc (the 'Company'), setting out the business that will be proposed at the AGM and the procedures for your participation and voting.

Impact of COVID-19 on the AGM

The evolving developments and related Government restrictions in response to COVID-19 affects the ability of shareholders to attend our AGM this year. In normal circumstances, our AGM is well attended and your Board values the opportunity to meet shareholders in person. However, in line with restrictions put in place by the UK Government, it will not be possible to hold our Annual General Meeting in the normal way.

We have therefore taken the decision to hold this year's AGM as a closed meeting and shareholders and their proxies will not be able to attend in person. As a result, the minimum number of Directors or employees of the Company will attend to ensure that the meeting is quorate. If the Corporate Insolvency and Governance Bill is then in force, our AGM will take place by electronic means, with the quorum being met by the virtual attendance of a minimum number of Directors and employees. We will provide updates in relation to our AGM on our website, including publication of a Chair's video message on the morning of our AGM, and where appropriate, by RNS announcement.

I strongly encourage all shareholders to exercise their votes by submitting their proxy forms either electronically or by post. Given the current restrictions on attendance, shareholders are encouraged to appoint the Chair of the AGM, to act as their proxy as any other named person will not be permitted to attend the meeting. Please complete and submit your Form of Proxy to Equiniti (our registrar). Equiniti must receive the Form of Proxy by 11am on 13 July 2020. Alternatively, you can vote online at www.sharevote.co.uk. Further details of how to submit a proxy can be found on page 13 of this Notice of Meeting.

Despite these exceptional circumstances, the Board is keen to maintain engagement with shareholders. In order to facilitate this, if you are a shareholder and would like to ask the Board a question on the formal business of the AGM, please email your question to shareholderquestions@severntrent.co.uk. The Board will respond to these questions directly and, where appropriate, will publish responses on the Company's website as soon as practicable after the AGM.

Notice of Meeting 2020

We continue to monitor the impact of COVID-19 in the UK and if it becomes necessary or appropriate to make further changes to the arrangements for the holding of the AGM, we will ensure that shareholders are given as much notice as possible. Further information will be available at www.severntrent.com. Consideration will also be given to further opportunities to meet informally with shareholders later in the year, should restrictions be lifted.

Board Changes

As outlined in our Annual Report and Accounts, there have been a number of changes to your Board during the year.

Firstly, I would like to pay tribute to my predecessor, Andrew Duff, who retired from the Board on 31 March. It has been a pleasure to work with Andrew over the last few months to ensure we managed an effective handover and immerse myself in Severn Trent as part of my induction. I would like to take the opportunity to thank Andy for his time and help, but most of all for his true dedication to Severn Trent over the last nine years. I look forward to building on his legacy.

On 1 May 2020, the Board announced the appointment of Sharmila Nebhrajani to the Board. As stated in the Nominations Committee report in the Annual Report and Accounts, the Nominations Committee supports and recommends the appointment of Sharmila as a Director. Sharmila has been appointed as a member of the Corporate Sustainability, Audit and Nominations Committees and she brings extensive board and governance experience to the Board, gained in a variety of roles spanning the private sector, public sector and NGOs.

As set out in the Notice of Meeting, all the Directors, with the exception of Andrew Duff, who retired from the Board on 31 March 2020, will retire at this year's Annual General Meeting and submit themselves for reappointment, or in the case of Christine Hodgson and Sharmila Nebhrajani, appointment, by shareholders. All of the current Directors were subject to a formal and rigorous performance evaluation, further details of which can be found on pages 83 and 84 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 detailed in the biographies on pages 6 to 8 and in the skills matrix on page 5 of this document.

Final Dividend for year ended 31 March 2020

As announced on 20 May, our strong financial position was a factor in our decision to declare a final dividend in line with our AMP6 dividend policy of growth of RPI plus at least 4% per annum. The Board considered carefully the unprecedented circumstances in relation to this year's dividend and took into consideration the Group's prospects and financial position; stakeholder interests including customers, shareholders, employees and our communities; and the Board's decision not to use any of the Government's business support measures. Recognising the critical role that dividends play in providing necessary income for pensioners and savers, and the significant number of employee and former employee investors, the Board determined that based on the strong performance in 2019/20 and the underlying financial position of the Company it remains appropriate to recommend to shareholders that a final dividend for year ended 2019/20 be paid.

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 2967* for an application form. To participate for the July 2020 final dividend a completed application form must be received by Equiniti by 5pm on 26 June 2020.

Recommendation and voting

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 240,326 Ordinary Shares representing approximately 0.101% of the issued Ordinary Share capital of the Company (excluding Treasury Shares) as at 19 May 2020, being the latest practicable date prior to publication of this document.

Since shareholders will not be able to attend the AGM in person, I would like to take this opportunity again to encourage all shareholders to exercise their votes by submitting their proxy forms either electronically or by post. All resolutions proposed at the meeting will be decided on by poll to ensure the views of shareholders are accurately reflected and in accordance with current recommended best practice. Details of how to do this can be found on page 13 of the Notice of Meeting.

Yours faithfully,

Christine Hodgson
Chair

19 May 2020

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

Notice of Annual General Meeting

and explanatory notes

NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting (the 'Meeting') of Severn Trent Plc (the 'Company') to transact the following business will be held as a closed meeting at Severn Trent Centre, 2 St John's Street, Coventry CV1 2LZ.

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 2020.

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 2020) (the '2020 Annual Report'). The 2020 Annual Report is available at 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 2020.

The 2006 Act requires quoted companies to present to their shareholders for approval a Directors' remuneration report. The Directors' remuneration report is set out in full in the Annual Report and Accounts on pages 102 to 123.

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 2020 Annual Report.

Shareholders approved the Directors' Remuneration Policy at the Annual General Meeting in 2018 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 2021.

DIVIDEND

3. To declare a final ordinary dividend in respect of the year ended 31 March 2020 of 60.05 pence for each Ordinary Share of 97¹⁷/₁₉ pence.

A final ordinary dividend of 60.05 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 12 June 2020.

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 17 July 2020.

REAPPOINTMENT/APPOINTMENT OF DIRECTORS

The UK Corporate Governance Code recommends that all Directors of premium listed companies should be subject to annual reappointment by shareholders. The Directors standing for appointment and reappointment in light of this provision are listed in Resolutions 4 to 12.

Following an internal evaluation, the Chair and Nominations Committee confirm 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 judgment and has concluded that each continues to be independent.

The Board supports and recommends all of the proposed reappointments and appointments.

Notice of Annual General Meeting and explanatory notes

DIRECTORS OFFERING THEMSELVES FOR REAPPOINTMENT/APPOINTMENT

The effectiveness of the Board is reviewed at least annually, and conducted according to the guidance set out in the UK Corporate Governance Code and FRC Guidance on Board Effectiveness. The 2019/20 evaluation was internally conducted by the outgoing Chairman, Andrew Duff, with support from the Company Secretary. Following completion of the evaluation process, the Board considered the report's findings. In doing so, the Board considers that each Director, serving on the Board at the time of the evaluation, continue to be fully effective and their individual contribution continues to be important for Severn Trent's long-term sustainable success. Further detail on the Board evaluation process can be found in our Annual Report and Accounts on pages 83 to 84.

As part of the evaluation, full consideration was given to the number of external positions held by the Non-Executive Directors. Directors' other appointments were reviewed, including the time commitment required for each, as part of the evaluation exercise. As a result of this review, the Nominations Committee did not identify any instances of overboarding and confirms that all individual Directors have sufficient time to commit to their appointment as a Director of Severn Trent Plc. The full list of external appointments held by our Directors can be found on pages 72 to 73 of our Annual Report and Accounts. All of our Non-Executive Directors are considered to be independent.

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	0	1
James Bowling	0	0
John Coghlan	0	1
Liv Garfield	0	0
Christine Hodgson	1	1
Sharmila Nebhrajani	0	1
Dominique Reiniche	0	2
Philip Remnant	1	2
Angela Strank	0	3



Kevin Beeston
Senior Independent Non-Executive Director
Resolution: 4



Olivia Garfield
Chief Executive
Resolution: 7



Dominique Reiniche
Independent Non-Executive Director
Resolution: 10



James Bowling
Chief Financial Officer
Resolution: 5



Christine Hodgson
Chair
Resolution: 8



Philip Remnant
Independent Non-Executive Director
Resolution: 11



John Coghlan
Independent Non-Executive Director
Resolution: 6



Sharmila Nebhrajani
Independent Non-Executive Director
Resolution: 9



Angela Strank
Independent Non-Executive Director
Resolution: 12

Skills matrix

Biographical details of the Directors can be found on pages 6 to 8 of this document along with the specific reasons why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success.

The matrix below details some of the key skills that our Board has identified as particularly valuable to the effective oversight of the Company and execution of our strategy.

Board skills	Olivia Garfield	James Bowling	Christine Hodgson	Kevin Beeston	Philip Remnant	John Coghlan	Dominique Reiniche	Angela Strank	Sharmila Nebhrajani
Strategy	●	●	●	●	●	●	●	●	●
M&A	●	●	●	●	●	●	●	●	●
Corporate finance/ treasury	●	●	●	●	●	●	●	●	●
Accounting	●	●	●	●	●	●	●	●	●
Regulation	●	●	●	●	●	●	●	●	●
Technology/innovation	●	●	●	●	●	●	●	●	●
Customer	●	●	●	●	●	●	●	●	●
Brands	●	●	●	●	●	●	●	●	●
Engineering	●	●	●	●	●	●	●	●	●
Utility sector	●	●	●	●	●	●	●	●	●
Environmental science, including climate change	●	●	●	●	●	●	●	●	●
People management	●	●	●	●	●	●	●	●	●
Commercial procurement	●	●	●	●	●	●	●	●	●
Construction/ infrastructure delivery	●	●	●	●	●	●	●	●	●
Large capital programmes	●	●	●	●	●	●	●	●	●
Political affairs	●	●	●	●	●	●	●	●	●

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4. Reappointment of Kevin Beeston



Kevin Beeston
Senior Independent
Non-Executive Director

Qualifications:
FCMA

Appointment to the Board:
as Independent Non-Executive
Director on 1 June 2016, and as
Senior Independent Non-Executive
Director on 20 July 2016

Committee membership:
Audit, Remuneration, Nominations

Career experience:
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,
Partnerships in Care Limited
and Equiniti Group Plc, and was a
Non-Executive Director of IMI Plc
and Marston Corporate Limited.
Until February 2020, Kevin was
Chairman of Taylor Wimpey Plc,
where he had been on the Board
since 2010.

**Current directorships/
business interests:**
Kevin is Chairman of Elysium
Healthcare Limited and also a Non-
Executive Director of the Football
Association Premier League Limited.

**Specific contribution to the
Company's long-term success:**
Kevin has a wealth of commercial,
financial and high-level management
experience and is a fellow of the
Chartered Institute of Management
Accountants, and was previously
Finance Director at Serco Plc.

5. Reappointment of James Bowling



James Bowling
Chief Financial Officer

Qualifications:
BA (Hons) Econ, ACA

Appointment to the Board:
1 April 2015

Committee membership: Treasury,
Disclosure (Chair), Executive

Career experience:
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.

**Current directorships/
business interests:** n/a

**Specific contribution to the
Company's long-term success:**
James is a chartered accountant,
who started his career with Touche
Ross and brings significant financial
management, M&A and business
transformation expertise to the
Board. He is a member of the Institute
of Chartered Accountants in England
and Wales.

6. Reappointment of John Coghlan



John Coghlan
Independent
Non-Executive Director

Qualifications:
BCom, ACA

Appointment to the Board:
23 May 2014

Committee membership:
Audit (Chair), Treasury (Chair),
Nominations

Career experience:
John spent 11 years at Exel Plc as
Chief Financial Officer and ultimately
as Deputy Chief Executive Officer
until retiring in 2006. Since then,
he has been a director of publicly
quoted and private companies
across several sectors.

**Current directorships/
business interests:**
Currently, John is also
Non-Executive Director and
Audit Committee Chairman of
Associated British Ports Holdings
Limited and Clarion Housing Group,
and is Non-Executive Director of
O.C.S. Group Limited.

**Specific contribution to the
Company's long-term success:**
John has a wealth of experience in
financial and general management
and is as a member of the Institute of
Chartered Accountants in England
and Wales.

7. Reappointment of Olivia Garfield



Olivia Garfield
Chief Executive

Qualifications:
BA (Hons)

Appointment to the Board:
11 April 2014

Committee membership:
Corporate Sustainability,
Executive, Disclosure

Career experience:
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.

Current directorships/ business interests:
Liv is a Non-Executive Director of Water UK and a Director of Water Plus Limited. She is also CEO for the Council for Sustainable Business.

Specific contribution to the Company's long-term success:
Liv brings to the Board a wealth of experience managing customer service delivery and complex infrastructure and organisations in a regulated environment.

8. Appointment of Christine Hodgson



Christine Hodgson
Chair

Qualifications:
CBE, BSc (Hons), FCA

Appointment to the Board: as Independent Non-Executive Director on 1 January 2020, and as Chair of the Board on 1 April 2020.

Committee membership:
Nominations (Chair), Corporate Sustainability, Remuneration

Career experience:
Christine joined Capgemini, one of the world's largest technology and professional services Groups, in 1997 and built her career in a variety of roles including CFO for Capgemini UK plc and for the Global Outsourcing business, CEO of Technology Services North West Europe and the Global Head of Corporate Social Responsibility. Until 1 April 2020 she was Executive Chair of Capgemini UK plc. She was previously an Independent Non-Executive Director of Ladbrokes Coral Group PLC until 2017.

Current directorships/ business interests:
Christine is the Senior Independent Director of Standard Chartered Plc and also sits on the Board of The Prince of Wales' Business in the Community. Christine is Chair of The Careers & Enterprise Company Limited.

Specific contribution to the Company's long-term success:
Christine brings extensive board and governance experience as well as a deep understanding of business, finance and technology leadership. She is a committed advocate of the need for companies to serve all of their stakeholders effectively and deliver their social purpose.

9. Appointment of Sharmila Nebhrajani



Sharmila Nebhrajani
Independent Non-Executive Director

Qualifications:
OBE, MA (Hons), ACA

Appointment to the Board:
1 May 2020

Committee membership:
Audit, Corporate Sustainability, Nominations

Career experience:
Sharmila's previous executive roles include Chief Executive of the Association of Medical Research Charities and Chief Operating Officer at BBC Future Media & Technology. Previous Non-Executive roles include Chairman of the Human Tissue Authority, Deputy Chairman of the Human Fertilisation and Embryology Authority and Non-Executive of the Pension Protection Fund.

Current directorships/ business interests:
Sharmila is Chair Designate of the National Institute of Health and Care Excellence and a Non-Executive Director of National Savings & Investments. Sharmila is also a Trustee Director of Lifesight Limited and a Governor of The Health Foundation.

Specific contribution to the Company's long-term success:
Sharmila brings extensive board and governance experience, gained in a variety of roles spanning the private sector, public sector and NGOs. She brings sectoral experience from a range of regulated sectors and is a chartered accountant.

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10. Reappointment of Dominique Reiniche



Dominique Reiniche
Independent Non-Executive Director

Qualifications:
MBA

Appointment to the Board:
20 July 2016

Committee membership:
Corporate Sustainability,
Nominations

Career experience:
Dominique is Independent Chair 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. Dominique was a Non-Executive Director of Peugeot-Citroen SA until December 2015 and was a Non-Executive Director of AXA SA until April 2017.

**Current directorships/
business interests:**
Dominique is the Chair of Eurostar International Limited and CHR Hansen Holdings A/S. She is also Non-Executive Director of Mondi Plc and Paypal (Europe).

**Specific contribution to the
Company's long-term success:**
Dominique has a wealth of operational experience in Europe and has international consumer marketing and innovation experience.

11. Reappointment of Philip Remnant



The Hon. Philip Remnant
Independent Non-Executive Director

Qualifications:
CBE, FCA, MA

Appointment to the Board:
31 March 2014

Committee membership:
Remuneration (Chair), Audit,
Treasury, Nominations

Career experience:
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.

**Current directorships/
business interests:**
Philip is the Senior Independent Director of Prudential Plc, Deputy Chairman of the Takeover Panel and Chairman of City of London Investment Trust Plc. He is also a Director and Trustee of St Paul's Cathedral Foundation.

**Specific contribution to the
Company's long-term success:**
Philip is a senior investment banker and brings substantial advisory and regulatory experience to the Board. Philip is a fellow of the Institute of Chartered Accountants in England and Wales.

12. Reappointment of Angela Strank



Angela Strank
Independent Non-Executive Director

Qualifications:
DBE, FRS, FEng, CEng, FICHEM, DSc, PhD

Appointment to the Board:
24 January 2014

Committee membership:
Corporate Sustainability (Chair),
Nominations, Remuneration

Career experience:
Since joining BP in 1982, Angela has held many senior leadership roles around the world in business development, commercial and technology, including, in 2012, as Vice President and Head of the Chief Executive's Office. In 2010, Angela was the winner of the UK First Woman Award in Science and Technology recognising pioneering UK women in business and industry. In June 2017, Angela was recognised in the Queen's Birthday Honours List with the title Dame Commander of the Most Excellent Order of the British Empire ('DBE') for services to the Oil and Gas Industry and encouraging women into STEM careers.

**Current directorships/
business interests:**
Angela is Head of Downstream Technology and Group Chief Scientist at BP Plc. Angela is also a Non-Executive Director of Rolls-Royce Holdings Plc and SSE Plc.

**Specific contribution to the
Company's long-term success:**
Angela brings a wealth of strategic, technical and commercial experience to the Board. Her track record and experience in strategy, operations, technology and transformational change are a complementary addition to the Board's skill set.

AUDITOR

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 93 of the 2020 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 Auditor 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 2020/21.

Details of the remuneration paid to the Company's External Auditor for 2019/20 can be found on page 94 of the 2020 Annual Report.

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:

- a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- c) 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 15 October 2021, provided that the authorised sums referred to in paragraphs a), b) and c) 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 or make donations to political organisations or incur political expenditure as defined in the 2006 Act. However, the definitions of political donations and political expenditure used in the 2006 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 a precautionary 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.

Notice of Annual General Meeting and explanatory notes

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 £77,777,319 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of £77,777,319); and
- b) comprising equity securities (as defined in section 560(1) of the 2006 Act) up to a nominal amount of £155,554,638 (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 2021 AGM (or, if earlier, until the close of business on 15 October 2021) 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.

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 £77,777,319 (less any shares issued under the authority in paragraph (b)), representing the Investment Association ('IA') guideline limit of approximately one-third of the Company's issued Ordinary Share capital (excluding Treasury Shares) as at 19 May 2020, 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 £155,554,638 (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 19 May 2020, 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 2021 AGM (or, if earlier, the close of business on 15 October 2021). 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 19 May 2020, being the latest practicable date before the publication of the Notice, the Company holds 3,581,338 Ordinary Shares in treasury.

17. AUTHORITY TO DISAPPLY PRE-EMPTION RIGHTS

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 11,666,597,

such authority to apply until the conclusion the 2021 AGM (or, if earlier, until the close of business on 15 October 2021) 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 19 May 2020) 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 2021 or the close of business on 15 October 2021, 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.

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 £11,666,597 (being approximately 5% of the issued share capital as at 19 May 2020, 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 2021 AGM (or, if earlier, until the close of business on 15 October 2021), 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 19 May 2020) 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 £23,333,195 as at 19 May 2020.

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 19 May 2020 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 AGM in 2021 or the close of business on 15 October 2021, 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.

Notice of Annual General Meeting

and explanatory notes

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 23,834,985 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 15 October 2021, 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 23,834,985 Ordinary Shares. This is not more than 10% of the issued share capital as at 19 May 2020. 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 19 May 2020 is 3,535,562, which represents approximately 1.48% of the issued share capital at that date. As at 19 May 2020 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 1.65% of the issued share capital.

Under the 2006 Act, the Company may hold any shares bought back into 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 2021 or the close of business on 15 October 2021, 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

19 May 2020

General notes

COVID-19

The evolving developments and related Government restrictions in response to COVID-19 affects the ability of shareholders to attend our AGM this year and it will not be possible to hold our Annual General Meeting in the normal way.

We have therefore taken the decision to hold this year's AGM as a closed meeting and shareholders and their proxies will not be able to attend in person. As a result, the minimum number of Directors or employees of the Company will attend to ensure that the meeting is quorate. If the Corporate Insolvency and Governance Bill is then in force, our AGM will take place by electronic means, with the quorum being met by the virtual attendance of a minimum number of Directors and employees.

Shareholders are encouraged to exercise their votes by appointing the Chair of the AGM as their proxy and by submitting their proxy forms either electronically or by post.

If you are a shareholder and would like to ask the Board a question on the formal business of the AGM, please email your question to shareholderquestions@severntrent.co.uk. The Board will respond to these questions directly and, where appropriate, will publish responses on the Company's website as soon as practicable after the AGM.

Entitlement to vote

To have the right to 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 13 July 2020 (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 vote at the Meeting.

Appointment of proxies

A shareholder entitled to vote at the Meeting is entitled to appoint another person or persons (who need not be a shareholder of the Company) to exercise all or any of his or her rights to 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. Given the current restrictions on attendance, shareholders are encouraged to appoint the Chair of the AGM, to act as their proxy as any other named person will not be permitted to attend the meeting. 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 voting. 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 (UK time) 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, which 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.

General notes

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 13 July 2020 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') 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 10 July 2020. Employees may also instruct the Trustee how to vote via the www.sharevote.co.uk website.

Shareholder questions

If you are a shareholder and would like to ask the Board a question on the formal business of the AGM, please email your question to shareholderquestions@severntrent.co.uk. The Board will respond to these questions directly and, where appropriate, will publish responses on the Company's website as soon as practicable after the AGM.

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 (the '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.

Shareholder requisition rights

Shareholders satisfying the threshold requirements in sections 338 and 338A of the 2006 Act can require the Company: (a) to give, to shareholders of the Company entitled to receive notice of the Meeting, notice of a resolution which those shareholders intend to move (and which may properly be moved) at the Meeting; and/or (b) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting.

A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person(s) making it and must be received by the Company not later than six clear weeks before the date of the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

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. However, please refer to the note in relation to COVID-19 set out above in relation to attendance. 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.
- 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 19 May 2020, being the latest practicable date before the publication of this Notice, the Company's issued and voting share capital consisted of 241,931,188 Ordinary Shares of 97¹⁷/₁₉ pence, each carrying one vote each. Therefore, the total number of voting rights in the Company is 238,349,850. The Company currently holds 3,581,338 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, severntrent.com.

Inspection of documents

The following documents are, under normal circumstances, available for inspection during normal business hours at the Company's registered office, on any business day from the date of this Notice up to the date of the AGM.

Please contact shareholderquestions@severntrent.co.uk to request to inspect copies of the Executive Directors' service contracts with the Company; copies of the Non-Executive Directors' letters of appointment; and a copy of the Company's Articles of Association.

Additionally copies are available on our Severn Trent Plc website.

