

Notice of Meeting 2021

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.



Christine Hodgson
Chair

Dear Fellow Shareholder,

The COVID-19 pandemic has dominated 2020/21 and has placed extraordinary demands on every one of us as individuals, families, communities and employees of an essential service provider. Our priority throughout the year has been ensuring our operational and financial resilience to serve our customers and play our part to make a positive impact for the good of our stakeholders and wider society, whilst also protecting the health and wellbeing of our employees.

Our 2021 Annual General Meeting (the 'AGM') is to be held on Thursday 8 July 2021 at 11.00am. In light of the COVID-19 pandemic, we have put in place arrangements to allow shareholders to observe the meeting by virtual means as an alternative to attending our AGM in person. The physical location of the AGM this year is the Severn Trent Academy, Hawksley Park, St. Martins Road, Finham, Coventry, CV3 6PR.

Those viewing the AGM virtually will be able to log into a live webcast, in order to follow the business of the meeting and pose questions to the Board in real time. Further details on how to access the webcast are set out on page 20 of this Notice. Shareholders viewing the AGM virtually should submit a proxy vote in advance of the meeting as detailed below.

Shareholders are also able to submit questions in writing through our website in advance of the AGM. In accordance with corporate governance best practice, the Board will seek to respond to questions received through the website by close of business on Monday 28 June 2021, ahead of the proxy voting deadline on Tuesday 6 July 2021. Questions received and the Company's responses will be published on the Company's website <https://www.severntrent.com/shareholder-centre/annual-general-meetings/>. If it is feasible, the Board will respond to questions received on or after Tuesday 29 June 2021 before the AGM.

Shareholders and their proxies are **strongly encouraged** to submit their proxy vote (appointing the Chair of the meeting as proxy) in advance of the AGM so that their vote is counted and view the AGM proceedings online on the day of the meeting, rather than attending in person this year. The health and safety of the Company's shareholders and employees and those involved in the running of the AGM is a key consideration for the Board. As such, measures will be put in place to ensure the wellbeing of shareholders and others attending the AGM in person this year. This will include filling out a questionnaire regarding possible flu-like symptoms.

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 <https://www.severntrent.com/shareholder-centre/annual-general-meetings/> and shareholders are encouraged to monitor that website for any updates.

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Board Changes

As set out in the Notice of Meeting, all the Directors, with the exception of Dominique Reiniche, who will retire from the Board on Thursday 8 July 2021, will retire at this year's Annual General Meeting and submit themselves for reappointment 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 98 and 99 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 as detailed in the biographies on pages 86 to 87 and in the skills matrix on page 97 of the 2021 Annual Report.

Final Dividend for Year Ended 31 March 2021

As announced on 18 May 2021, our resilient financial position was a factor in our decision to declare a final dividend in line with our AMP7 dividend policy of growth of at least CPIH 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 2020/21 and the underlying financial position of the Company it remains appropriate to recommend to shareholders that a final dividend for year ended 2020/21 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 2021 final dividend a completed application form must be received by Equiniti by 5.00pm on 25 June 2021.

Directors' Remuneration Policy

A new Directors' Remuneration Policy is being proposed for approval at this year's AGM. The Remuneration Committee reviewed the existing Directors' Remuneration Policy with the objective of continuing our focus on managing strong long-term sustainable finance and operational performance and embedding our commitments and ambitions around sustainability within both our short-term and long-term reward framework. The Committee's review of the Policy concluded that the current remuneration framework, which had overwhelming support from stakeholders, remains appropriate because it has supported the delivery of the Company's strategy and driven high levels of Company performance over the last three years. On that basis the Committee has developed a new policy which continues to operate in a similar matter however introduces a second LTIP performance measure related to sustainability and introduces a Post-Employment Shareholding Requirement.

If approved, this new Policy will come into effect from the date of the AGM for a period of up to three years.

Further information is available in the Directors' Remuneration Report, on pages 120 to 153 of the Annual Report and Accounts.

Replacement Long Term Incentive Plan 2021

The Company's current Long Term Incentive Plan was approved by shareholders in 2014 and so would require replacement within the life of the Directors' Remuneration Policy being proposed to shareholders at the Company's 2021 AGM. The Board therefore considers it appropriate to seek shareholder approval for a replacement Long Term Incentive Plan at the same time as the revised Policy.

The terms of the proposed replacement 2021 Long Term Incentive Plan (the 'LTIP') are summarised in Appendix 1 of this Notice of Meeting on pages 14 to 16.

Climate Change Action Plan

Demonstrating the Company's commitment to shareholders earlier this year, the Board announced on 24 March 2021 its intention to put its long-term approach to climate change before shareholders, and seek a non-binding advisory vote on our plans to achieve them, at its AGM this year. The Company intends to seek a non-binding advisory vote every three years on any material changes made or proposed to the plan. The plan sets out the Company's climate strategy to reduce emissions within its operations and through its supply chain.

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 309,164 Ordinary Shares representing approximately 0.129% of the issued Ordinary Share capital of the Company (excluding Treasury Shares) as at 18 May 2021, being the latest practicable date prior to publication of this document. Resolutions 1 to 22 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.

The following pages contain the Notice of Meeting of the 2021 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.

Yours faithfully,

Christine Hodgson

Chair

18 May 2021

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NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting (the 'Meeting') of Severn Trent Plc (the 'Company') to transact the following business will be held at Severn Trent Academy, Hawksley Park, St. Martins Road, Finham, Coventry, CV3 6PR on Thursday 8 July 2021 at 11.00am.

Resolutions

The Resolutions numbered 1 to 18 are proposed as Ordinary Resolutions, which must each receive more than 50% of the votes cast in order to be passed. Resolution 5 is proposed as a non-binding advisory Ordinary Resolution.

Resolutions numbered 19 to 22 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 2021.

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 2021) (the '2021 Annual Report'). The 2021 Annual Report is available at www.severntrent.com.

Remuneration Report

2. To approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, in the form set out in the Company's Annual Report and Accounts for the year ended 31 March 2021.

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 2021 Annual Report on pages 120 to 153 and gives details of the remuneration of the Directors for the year ended 31 March 2021.

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 Directors' Remuneration Report that are required to be audited and their report is issued in the 2021 Annual Report.

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Remuneration Policy

3. To approve the Directors' Remuneration Policy in the form set out in the Company's Annual Report and Accounts for the year ended 31 March 2021.

This year, the Company is required to ask shareholders to vote on a new Directors' Remuneration Policy (the 'Policy'), setting out the Company's policy on remuneration and potential payments to Directors going forward. The new Policy has been developed by the Remuneration Committee to support the Company's objectives of continuing our focus on managing strong long-term sustainable finance and operational performance and embedding our commitments and ambitions around sustainability within both our short-term and long-term reward framework. The Directors' Remuneration Policy is set out in full in the 2021 Annual Report on pages 145 to 153.

The Policy must be approved by shareholders (by means of separate resolution) at least once every three years. The current Policy was approved by shareholders at the AGM in 2018 and is therefore due for renewal. As noted in the Policy, the Directors' Remuneration Policy will commence on Thursday 8 July 2021. Payments will continue to be made to Directors and former Directors in line with existing contractual arrangements until this date.

Once the Policy is approved, all payments by the Company to the Directors and any former Directors must be made in accordance with the new Policy and the Policy is valid for up to three years. If the Company wishes to change the Policy, it will need to be put the revised Policy to a shareholder vote again before it can implement the proposed change.

Replacement Long Term Incentive Plan 2021

4. To approve a replacement Long Term Incentive Plan 2021 in the manner set out in Appendix 1 to this Notice, effective from the date of the AGM.

The Company's current Long Term Incentive Plan was approved by shareholders in 2014 and so would require replacement within the life of the Directors' Remuneration Policy being proposed to shareholders at the Company's 2021 AGM. The Board therefore considers it appropriate to seek shareholder approval for a replacement Long Term Incentive Plan at the same time as the revised Policy.

The terms of the proposed replacement 2021 Long Term Incentive Plan (the 'LTIP') are summarised in Appendix 1 of this Notice of Meeting on pages 14 to 16.

Climate Change Action Plan

5. To consider and, if thought fit, approve the Company's Climate Change Action Plan.

Resolution 5 is a non-binding advisory vote to approve the Climate Change Action Plan. The Board announced on 24 March 2021 its intention to put its long-term approach to climate change before shareholders. The Climate Change Action Plan sets out the Company's climate strategy to reduce emissions within its operations and through its value chain.

Dividend

6. To declare a final ordinary dividend in respect of the year ended 31 March 2021 of 60.95 pence for each Ordinary Share of 97¹⁷/₁₆ pence.

A final ordinary dividend of 60.95 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 6.30pm on 28 May 2021. 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 16 July 2021.

Reappointment of Directors

The UK Corporate Governance Code 2018 (the '2018 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 7 to 14.

Following an external evaluation, the Chair and Nominations Committee confirms that each Director standing for reappointment continues to make a valuable contribution to the Board's deliberations and continues to demonstrate commitment to the Board. 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 appointments and reappointments. Dominique Reiniche will retire from the Board with effect from the conclusion of the Meeting.

Directors offering themselves for appointment/reappointment

The effectiveness of the Board is reviewed at least annually and conducted according to the guidance set out in the 2018 Code and FRC Guidance on Board Effectiveness. The 2020/21 evaluation was externally conducted by Independent Board Evaluation and its Committees, in line with the requirements of the 2018 Code, with the support of the Chair and the Company Secretary. The review concluded that the Board and its Committees operate very effectively and it was evident that the Board places a strong emphasis on ensuring that it considered the views of stakeholders in its discussions and decision making. You can read more about the process and outcomes of the Board Effectiveness evaluation on pages 98 to 99 of the 2021 Annual Report.

Following completion of the evaluation process, the Board considered the report's findings. In doing so, the Board considers that each Director continues to be fully effective and their individual contribution continues to be important for Severn Trent's long-term sustainable success.

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 86 to 87. 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	2
Philip Remnant	0	2
Dame Angela Strank	0	4



Kevin Beeston
Senior Independent Non-Executive Director
Resolution: 7



Olivia Garfield
Chief Executive
Resolution: 10



Philip Remnant
Independent Non-Executive Director
Resolution: 13



James Bowling
Chief Financial Officer
Resolution: 8



Christine Hodgson
Chair
Resolution: 11



Dame Angela Strank
Independent Non-Executive Director
Resolution: 14



John Coghlan
Independent Non-Executive Director
Resolution: 9



Sharmila Nebhrajani
Independent Non-Executive Director
Resolution: 12

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Skills Matrix

Biographical details of the Directors can be found on pages 86 to 87 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	Kevin Beeston	James Bowling	John Coghlan	Olivia Garfield	Christine Hodgson	Sharmila Nebhrajani	Dominique Reiniche	Philip Remnant	Angela Strank
Strategy	●	●	●	●	●	●	●	●	●
M&A	●	●	●	●	●	●	●	●	●
Corporate finance/ Treasury	●	●	●	●	●	●	●	●	●
Accounting	●	●	●	●	●	●	●	●	●
Regulation	●	●	●	●	●	●	●	●	●
Technology/Innovation/ Cyber	●	●	●	●	●	●	●	●	●
Customer	●	●	●	●	●	●	●	●	●
Brands	●	●	●	●	●	●	●	●	●
Engineering	●	●	●	●	●	●	●	●	●
Utility sector	●	●	●	●	●	●	●	●	●
Science	●	●	●	●	●	●	●	●	●
Sustainability, including climate change	●	●	●	●	●	●	●	●	●
People management	●	●	●	●	●	●	●	●	●
Commercial procurement	●	●	●	●	●	●	●	●	●
Construction/ Infrastructure delivery	●	●	●	●	●	●	●	●	●
Large capital programmes	●	●	●	●	●	●	●	●	●
Political affairs	●	●	●	●	●	●	●	●	●

7. Reappointment of Kevin Beeston as a Director



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, Nominations,
Remuneration, Treasury

Career experience:
Kevin has a wealth of commercial, financial and high level management 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 Non-Executive Director of the Football Association Premier League Limited and Non-Executive Chairman of Elysium Healthcare 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.

8. Reappointment of James Bowling as a Director



James Bowling
Chief Financial Officer

Qualifications:
BA (Hons) Econ, ACA

Appointment to the Board:
1 April 2015

Committee membership:
Executive Disclosure, Executive

Career experience:
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. 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:**
Director of Water Plus Limited – joint venture with United Utilities.

**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.

9. Reappointment of John Coghlan as a Director



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 has a wealth of experience in financial and general management. He 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:**
John is Non-Executive Director of O.C.S. Group Limited and Non-Executive Director, Vice Chair and Senior Independent Director of Clarion Housing Group.

**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.

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10. Reappointment of Olivia Garfield as a Director



Olivia Garfield, CBE
Chief Executive

Qualifications:
CBA, BA (Hons)

Appointment to the Board:
11 April 2014

Committee membership:
Executive Disclosure, Executive

Career experience:

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.

In October 2020, Liv was appointed Commander of the Order of the British Empire (CBE) in the Queen's Birthday Honours for services to the water industry.

Current directorships/ business interests:

Liv is Non-Executive Director of Water UK, CEO of the Council for Sustainable Business and Member of the Takeover Panel and its Hearing Committees and Nomination Committee. Liv is also Director of Water Plus Limited our joint venture with United Utilities, member of the 30% Club, UK Investment Council and the Build Back Better Council.

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.

11. Reappointment of Christine Hodgson as a Director



Christine Hodgson, CBE
Chair

Qualifications:
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 brings extensive Board and governance experience to the Company 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. Until her appointment as Chair of the Severn Trent Board, she was the Executive Chair of Capgemini UK Plc, one of the world's largest technology and professional services groups.

Christine joined Capgemini 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.

Christine was previously an Independent Non-Executive Director of Ladbrokes Coral Group PLC until 2017. She is a fellow of the Institute of Chartered Accountants in England and Wales.

Current directorships/ business interests:

Christine is the Senior Independent Director of Standard Chartered Plc and is Chair of The Careers and Enterprise Company Limited, a Government-backed company established to help inspire and prepare young people for the world of work. Christine is also Senior Pro-Chancellor and Chair of Loughborough University Council and External Board Advisor to Spencer Stuart Management Consultants NV.

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.

12. Reappointment of Sharmila Nebrajani as a Director



Sharmila Nebhrajani, OBE
Independent Non-Executive Director

Qualifications:
MA (Hons), ACA

Appointment to the Board:
1 May 2020

Committee membership:
Audit, Corporate Sustainability, Nominations

Career experience:

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 including medicine, bioethics, financial services and the media. She is Chairman of the National Institute of Health and Care Excellence (NICE), the organisation that assesses clinical and cost effectiveness of drugs, medical devices and interventions in health and social care.

Her previous executive roles include Chief Executive of the Association of Medical Research Charities and Chief Operating Officer at BBC Future Media & Technology, where she managed the business functions of bbc.co.uk, including the launch of iPlayer. 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.

Sharmila read Physiological Sciences (Medicine) at the University of Oxford. She is a chartered accountant and was awarded an OBE in 2014 for services to medical research.

**Current directorships/
business interests:**

Sharmila is Non-Executive Director of ITV Plc, Chairman of National Institute of Health and Care Excellence, Non-Executive Director of National Savings & Investments, Trustee Director of Lifesight Limited and Governor of the Health Foundation.

**Specific contribution to the Company's
long-term success:**

Sharmila brings extensive Board and governance experience and experience from a range of regulated sectors. Sharmila is a chartered accountant and brings relevant and recent financial experience to the Company.

**13. Reappointment of
Philip Remnant as a Director**

The Hon. Philip Remnant, CBE
Independent Non-Executive Director

Qualifications:
FCA, MA**Appointment to the Board:**
31 March 2014**Committee membership:**
Remuneration (Chair), Audit,
Nominations, Treasury**Career experience:**

Philip is a senior investment banker and brings substantial advisory and regulatory experience to the Board. A chartered accountant, he now holds a number of non-executive roles. 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. Until 2020, Philip was Chairman of City of London Investment Trust Plc.

Philip has recent and relevant financial experience as a fellow of the Institute of Chartered Accountants in England and Wales.

**Current directorships/
business interests:**

Philip is the Senior Independent Director of Prudential Plc, Deputy Chairman of the Takeover Panel and Trustee of City of London Endowment Trust.

**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 has recent and relevant financial experience as a fellow of the Institute of Chartered Accountants in England and Wales.

**14. Reappointment of
Dame Angela Strank as a Director**

Dame Angela Strank, DBE
Independent Non-Executive Director

Qualifications:
FRS, FREng, CEng, FIChemE, DSc, PhD**Appointment to the Board:**
24 January 2014**Committee membership:**
Corporate Sustainability (Chair),
Nominations, Remuneration**Career experience:**

Angela brings a wealth of strategic, technical and commercial experience to the Board. Until July 2020, Angela was BP's Chief Scientist and Head of Downstream Technology at BP Plc with responsibility for delivering the strategic business agenda through the development of differentiated technology advantage across the refining, fuels, lubricants and petrochemicals businesses, as well as shaping their transition to a lower carbon future. From joining BP in 1982, she held many senior and executive leadership roles around the world in business development, commercial, finance and technology, including in 2012, being 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, recognising pioneering UK women in business and industry. In 2017 she won the prestigious Energy Institute's Cadman Award for outstanding contribution to the oil and gas industry. Her track record and experience in strategy, operations, technology and transformational change are a complementary addition to the Board's skill set.

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. She is an honorary professor at the University of Manchester and she has been awarded honorary degrees from Bradford and Royal Holloway London universities.

**Current directorships/
business interests:**

Angela is Non-Executive Director of Rolls Royce Holdings Plc, Non-Executive Director of SSE Plc and Non-Executive Director of Mondi Plc (effective 22 April 2021). Angela is also a member of the Royal Academy of Engineering Research Committee.

**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.

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Auditor

15. 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 pages 109 to 110 of the Annual Report.

16. 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 2021/22.

Details of the remuneration paid to the Company's external auditor for 2020/21 can be found on page 110 of the 2021 Annual Report.

Authority to make political donations and incur political expenditure

17. To authorise, generally and unconditionally, the Company and all companies which are subsidiaries of the Company during the period when this Resolution 17 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 7 October 2022, 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.

Authority to allot shares

18. 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 £78,111,763 (such amount to be reduced by the nominal amount allotted or granted under paragraph b) below in excess of £78,111,763); and
- b) comprising equity securities (as defined in section 560(1) of the Act) up to a nominal amount of £156,223,526 (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 2022 AGM (or, if earlier, until the close of business on 7 October 2022) 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 18 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 £78,111,763 (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 18 May 2021, 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 £156,223,526 (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 18 May 2021, 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 2022 AGM (or, if earlier, the close of business on 7 October 2022). The Board considers it appropriate to maintain the flexibility this authority provides 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 18 May 2021, being the latest practicable date before the publication of the Notice, the Company holds 3,376,054 Ordinary Shares in treasury.

Authority to disapply pre-emption rights

19. That, subject to the passing of Resolution 18, 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 18, by way of a rights issue only):
 - i. 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; 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 18 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 £11,716,763,

such authority to apply until the conclusion the 2022 AGM (or, if earlier, until the close of business on 7 October 2022) 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 19 would also grant the authority to allot a limited number of equity securities (equivalent to 5% of the issued ordinary share capital as at 18 May 2021 for cash without first offering them to existing shareholders).

The authority in this Resolution 19 would remain in force until the end of the AGM in 2022 or the close of business on 7 October 2022, whichever is the earlier.

Annual renewal of this authority is sought in accordance with best practice, and in line with the Statement of Principles. 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 19 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.

20. That, subject to the passing of Resolution 18 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 19, 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:

Notice of Annual General Meeting

and explanatory notes

- a) limited to the allotment of equity securities or sale of Treasury Shares up to a nominal amount of £11,716,764 (being approximately 5% of the issued share capital as at 18 May 2021, 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 2022 AGM (or, if earlier, until the close of business on 7 October 2022), 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 18 May 2021 for cash without first offering them to existing shareholders. Together with Resolution 19 (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 £23,433,528 as at 18 May 2021.

The additional authority is being sought in line with the Statement of Principles, which 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 18 May 2021 requested in this Resolution 20 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 20 would remain in force until the AGM in 2022 or the close of business on 7 October 2022, whichever is the earlier. The Board 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

21. 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 23,937,475 Ordinary Shares;
- ii) the Company may not pay less than 97¹⁷/₁₀₀ 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 21 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 7 October 2022, 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 23,937,475 Ordinary Shares. This is not more than 10% of the issued share capital as at 18 May 2021. 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 18 May 2021 is 3,581,173, which represents approximately 1.50% of the issued share capital at that date. As at 18 May 2021 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 1.66% 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 2022 or the close of business on 7 October 2022, whichever is earlier.

General meetings

22. 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

18 May 2021

Appendix 1

LTIP rules

Summary of LTIP

The Remuneration Committee continues to believe that it is important to attract, motivate and retain employees of the appropriate calibre and to align their interests with those of shareholders in the Company through annual performance share awards. The Company's current long term incentive plan was approved by shareholders in 2014 and so would require replacement within the life of the Directors' Remuneration Policy being proposed to shareholders at the Company's 2021 Annual General Meeting. The Board therefore considers it appropriate to seek shareholder approval for a replacement long term incentive plan at the same time as the revised Policy.

The terms of the proposed replacement 2021 Long Term Incentive Plan (the 'LTIP') are summarised below.

Administration

Awards may be granted, and the LTIP will be administered, by the Board, or a duly authorised committee of the Board. The current intention is that the LTIP will be administered and awards granted by the Remuneration Committee (and this will be the case in respect of awards for Executive Directors, senior management and business leaders of the Company).

Eligibility

Awards may be granted to any of the employees of the Company or its subsidiaries, including the Executive Directors. Participation by the Executive Directors shall be in accordance with the terms of the Directors' Remuneration Policy as approved by shareholders from time to time.

Form of awards

Awards will take the form of a conditional right to receive ordinary shares in the Company which will be automatically transferred to the participant following vesting.

Timing of grant of awards

Awards may, save in exceptional circumstances, only be granted within a period of 42 days following the date of announcement by the Company of its interim or final results (or as soon as practicable thereafter if the Company is restricted from being able to grant awards during such period).

Individual limit

The maximum market value of the shares over which an award to any employee may be granted in any financial year shall not exceed an amount equal to 200 per cent. of the employee's gross annual basic salary as at the date of grant. Awards granted in exceptional circumstances, for example connection with the recruitment of an eligible employee to replace awards which the employee lost on leaving a former employer, will not count towards this limit.

Performance conditions

The Remuneration Committee will determine the performance conditions which will apply to awards and which will be measured over a period of not less than three years. There will be no provision for re-testing. Performance conditions for Executive Directors will be set in line with the Remuneration Policy, and will be set out in the annual report on Directors' Remuneration.

In determining the extent to which the performance conditions are met, the Remuneration Committee may override any formulaic outcome if it considers that this is necessary to take account of its broader assessment of the performance of the Company.

The Remuneration Committee may alter the performance conditions attaching to an award if events happen after the date of grant that cause the Remuneration Committee to consider that any element of the performance conditions is no longer a fair measure of the Company's performance, provided that the revised target is not considered to be materially less challenging than was intended in setting the original conditions. Should an award vest prior to the normal vesting date, the Remuneration Committee will assess performance using such information as it considers appropriate.

In exceptional circumstances, for example in connection with the recruitment of an eligible employee, the Remuneration Committee may determine that no, or a shorter, performance period may apply.

Vesting

Awards will vest following an assessment of the performance condition normally no earlier than the third anniversary of the date of grant. Where the normal grant date has been delayed as a result of the Company being restricted from making grants, the Remuneration Committee may deem the award to have been granted, for these purposes, on the normal grant date. Awards granted in exceptional circumstances, for example in connection with the recruitment of an eligible employee, may have a shorter vesting period.

If the Remuneration Committee so determines, an award may be satisfied in whole or in part by a cash payment as an alternative to the issue or transfer of shares.

Holding period

Awards to Executive Directors (and others at the discretion of the Remuneration Committee) will be subject to a holding period of two years following the vesting of an award during which a participant shall not be permitted to dispose of the shares acquired on vesting (other than to cover tax liabilities or in the event of a corporate action). Shares (or share certificates) will be deposited with a custodian in order to enforce this requirement.

Dividend equivalents

Participants may receive an additional payment (or shares of equivalent value) equal to the dividends which would have been paid during the vesting period on the number of shares that vest.

Leavers

An award will normally lapse where the participant ceases to hold office or employment with the Group. Awards will not lapse where the cessation of office or employment with the Group is due to injury, disability, redundancy, retirement, the transfer of the participant's employment in connection with a business sale, the company with which the participant holds office or employment ceasing to be a member of the Group, or any other reason if the Remuneration Committee so determines (a '**Good Leaver**').

Where a participant ceases employment for a Good Leaver reason, the award will continue to be capable of vesting on its normal vesting date, provided that the Remuneration Committee may determine that the award will instead vest on or at any time following the date of cessation.

On the death of a participant, an award shall immediately vest.

Corporate actions

In the event of a change of control or resolution for the voluntary winding-up of the Company, awards will normally vest. In the event of a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of shares to a material extent, awards may be adjusted or the Remuneration Committee may allow awards to vest. Where the corporate action forms part of an internal re-organisation, unless the Remuneration Committee determines otherwise, an award shall not vest, and instead will be replaced with an award of equivalent value over shares in the new controlling company.

International transfers

If a participant is transferred to work in another country as a result of which the participant or a Group company will suffer a tax disadvantage or the participant will become subject to restrictions on his ability to receive or deal in shares the Remuneration Committee may determine that an award will vest prior to the date of such transfer.

Extent of vesting

Where, prior to the normal vesting date, a participant ceases employment (or gives or receives notice) for a Good Leaver reason or is subject to an international transfer, or there is a corporate action, the number of shares in respect of which an award may vest will, unless the Remuneration Committee determines otherwise, be pro-rated on the basis of the proportion of the performance period which has elapsed to the date of the relevant event.

Malus and Clawback

The Remuneration Committee may apply a reduction or clawback to an award where at any time before or within three years of vesting it determines that: (i) the financial results of the Company were misstated or an error was made in any calculation or in assessing performance, which resulted in the number of shares in respect of which the award was granted or vested being more than it should have been; or (ii) the participant has contributed to reputational damage to the Group, regulatory censure or a material loss (whether or not such loss leads to corporate failure).

The Remuneration Committee may also apply a reduction or clawback where it determines that, at any time prior to the vesting of an award the participant committed misconduct that justified, or could have justified, dismissal.

A clawback may be satisfied in a number of ways, including by reducing the amount of any future bonus, by reducing the vesting of any subsisting or future awards and/or by requiring the participant to make a cash payment or a transfer of shares to the Company.

Clawback provisions do not extend past the date of a takeover or similar corporate event.

Non-Transferable and Non-Pensionable

Awards are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

Plan Limits

Shares to satisfy the vesting of awards may be newly issued, transferred from treasury or market purchased.

Awards capable of being satisfied by newly issued shares may not be granted where to do so would cause the number of shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under (i) any employees' share scheme, to exceed 10 per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant; or (ii) any discretionary employees' share scheme, when added to the number of shares issued for the purpose of any such awards and options, to exceed 5 per cent of the Company's ordinary share capital in issue immediately prior to the proposed date of grant.

These limits do not include rights to shares under awards which have been released, lapsed or otherwise become incapable of exercise or vesting.

Treasury Shares will count as new issue shares for the purpose of these limits for so long as institutional investor bodies consider that they should be so counted.

Variation of capital

The number of shares subject to awards may be adjusted following any variation of share capital of the Company or a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of shares to a material extent.

Appendix 1

LTIP rules

Alterations

The Board may amend the rules of the LTIP as it considers appropriate, subject to any relevant legislation, provided that no modification may be made which confers any additional advantage on participants relating to eligibility, plan limits, the basis of individual entitlement and the provisions for the adjustment of awards without prior shareholder approval, except in relation to amendments which are minor amendments to benefit the administration of the LTIP, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company (or other Group companies).

Overseas plans

The LTIP contains provisions which permit the Board to establish further plans for the benefit of any overseas employees based on the LTIP but modified as necessary or desirable to take account of overseas tax, exchange control or securities laws. Any new shares issued under such plans would count towards the individual and overall plan limits outlined above.

Inspection

A copy of the LTIP rules will be available for inspection at the Annual General Meeting for 15 minutes before the start of the Meeting until its conclusion. A copy will also be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and at the offices of Herbert Smith Freehills LLP (Exchange House, Primrose Street, London EC2A 2EG) up to the time of the Meeting.

General notes

COVID-19

Our 2021 Annual General Meeting is to be held on Thursday 8 July 2021 at 11.00am. In light of the COVID-19 pandemic, we have put in place arrangements to allow shareholders to observe the meeting by virtual means as an alternative to attending in person.

Shareholders and their proxies are strongly encouraged to submit their proxy vote (appointing the Chair of the meeting as proxy) in advance of the AGM so that their vote is counted and to view the AGM proceedings online on the day of the meeting, rather than attending in person this year. The health and safety of the Company's shareholders and employees and those involved in the running of the AGM is a key consideration for the Board. As such, in light of the ongoing COVID-19 pandemic, measures will be put in place to ensure the wellbeing of shareholders and others attending the AGM in person this year. This will include filling out a questionnaire regarding possible flu-like symptoms.

Please refer to the letter from the Chair of the Company for further details on the arrangements for the AGM this year.

Entitlement to 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 6 July 2021 (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, at 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 11.00am on 6 July 2021 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 11.00am on 5 July 2021. Employees may also instruct the Trustee how to vote via 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: (a) if to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) if the answer has already been given on a website in the form of an answer to a question; or (c) 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,

General notes continued

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. 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 18 May 2021, being the latest practicable date before the publication of this Notice, the Company's issued and voting share capital consisted of 242,750,812 Ordinary Shares of 97¹¹/₁₆ pence, each carrying one vote each. The Company currently holds 3,376,054 Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company is 239,374,758.

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 Severn Trent Academy, Hawksley Park, St. Martins Road, Finham, Coventry, CV3 6PR from 10.00am on the day of the Meeting: Copies of the Executive Directors' service contracts with the Company; copies of the Non-Executive Directors' letters of appointment; copy of the Company's Articles of Association; copy of the Long Term Incentive Plan rules.

A copy of the draft form rules of the Severn Trent Plc Long Term Incentive Plan, as they are proposed to be amended will also be available for inspection at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London, EC2A 2EG during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Notice until the close of the Meeting.

Online AGM User Guide

Electronic Meeting

For the 2021 AGM, Severn Trent will be enabling shareholders to follow the meeting electronically, should they wish to do so. This can be done by accessing the AGM website, <https://web.lumiagm.com>

Shareholders intending to view the meeting electronically are reminded that they should submit their proxy vote (appointing the chair of the meeting as proxy) in advance of the AGM so that their vote is counted as online voting will not be available on the day of the meeting. Please refer to the letter from the Chair for further information about the arrangements for the 2021 AGM.

Accessing the AGM Website

Lumi AGM can be accessed online using most well-known internet browsers such as Edge, Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone. If you wish to access the AGM using this method, please go to <https://web.lumiagm.com> on the day.

Logging In

On accessing the AGM website, you will be asked to enter a Meeting ID which is **194-847-817**

You will then be prompted to enter your unique Shareholder Registration Number and PIN which is the first two and last two digits of your SRN. These can be found printed on your form of proxy. Access to the meeting via the website will be available from 10.00am on Thursday, 8 July 2021.

Broadcast

The meeting will be broadcast with presentation slides. Once logged in, and at the commencement of the meeting, you will be able to listen to the proceedings of the meeting on your device, as well as being able to see the slides of the meeting which will include the resolutions to be put forward to the meeting, these slides will progress automatically as the meeting progresses.

Questions

Shareholders attending electronically may ask questions via the website by typing and submitting their question in writing – Select the messaging icon from within the navigation bar and type your question at the bottom of the screen, once finished, press the 'send' icon to the right of the message box the submit your question.

Requirements

An active internet connection is required at all times in order to follow the meeting, submit questions and listen to the presentation. It is the user's responsibility to ensure you remain connected for the duration of the meeting.

Duly appointed proxies and corporate representatives

Please contact the Company's registrar, Equiniti, before 11.00am on Wednesday, 7 July 2021 on 0371 384 2967 or +44(0) 121 415 7044 if you are calling from outside the UK for your SRN and PIN.

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

User guide to joining the Severn Trent 2021 Annual General Meeting remotely

Meeting ID: 194-847-817

To login you must have your SRN and PIN

1



Open the Lumi AGM website and you will be prompted to enter the Meeting ID. If a shareholder attempts to login to the website before the meeting is live*, a pop-up dialogue box will appear.

* 11am on 8th July 2021.

2



After entering the Meeting ID, you will be prompted to enter your unique SRN and PIN.

3



When successfully authenticated, you will be taken to the Home Screen.

4



To view the meeting presentation, expand the 'Broadcast Panel' located at the bottom of your device. If viewing through a browser it will appear automatically.

This can be minimised by pressing the same button.



5



If you would like to ask a question, select the messaging icon.

Type your message within the chat box at the bottom of the messaging screen.

Click the send button to submit.

