

Information for shareholders

Electronic communications and our website

At the 2007 AGM a resolution, amending the Articles of Association, was passed allowing the company to communicate with shareholders either via the Severn Trent Plc website or by post. The company last wrote to shareholders in April 2008 asking that they choose to either:

- provide an email address to receive notifications when shareholder documentation is made available on the website; or
- continue to receive shareholder documentation in hard copy by returning the personalised reply card.

If the completed card was not returned then, in accordance with the Companies Act 2006, shareholders were deemed to have agreed to receive shareholder documentation via the website. These shareholders, and those who have positively elected for website communication, will receive, immediately prior to the publication date, notification whenever shareholder documents are available to view on the website at www.severntrent.com

Shareholders may receive electronic communications either:

- via email – this option is available through Shareview. Shareholders will receive an email notification when a new document is made available; or
- via our website – shareholders will receive a notification by post when a new document is made available.

The electronic arrangements enable shareholders to access information immediately as it becomes available. By using electronic communications the company is also able to both reduce its impact on the environment from reducing the use of paper and the energy required for publication and distribution, and benefit from savings associated with reduced printing and mailing costs.

Shareholders who register to receive shareholder documentation from Severn Trent Plc electronically can:

- view the Annual Report and Accounts on the day it is published;
- receive an email alert when shareholder documents are available;
- cast their AGM vote electronically; and
- manage their shareholding quickly and securely online, through Shareview.

Shareholders who receive such a notification are entitled to request a hard copy of the document and may also change the way they receive communications, at any time, by contacting Equiniti. Visit www.shareview.co.uk for more information and to register for electronic shareholder communications.

We will periodically consult with shareholders to check how they wish to receive information from us and a shareholder is taken to have agreed to website communications if a response has not been received.

Notwithstanding any election, the company may, at its sole and absolute discretion, send any notification or information to shareholders in hard copy form.

Our website also provides company news and information, together with links to our operational businesses' websites. The Investor Centre on the website contains up to date information for shareholders including:

- comprehensive share price information;
- financial results;

- a history of dividend payment dates and amounts; and
- access to current and historical shareholder documents such as the Annual Report and Accounts.

Severn Trent shareholder helpline

The company's registrar is Equiniti Limited. Equiniti's main responsibilities include maintaining the shareholder register and making dividend payments.

If you have any queries on the following matters you can contact Equiniti via one of the methods below:

- transfer of shares;
- change of name or address;
- lost share certificate;
- lost or out of date dividend cheques and other dividend queries;
- death of the registered holder of shares; or
- any other query relating to your Severn Trent shareholding.

Registrar contact details:

Telephone: 0871 384 2967*

Overseas enquiries: +44 121 415 7044

Text phone: 0871 384 2255*

By post: Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA

Email: severntrent@equiniti.com

* Calls to these numbers are charged at 8 pence per minute from a BT landline. Other telephony providers' costs may vary.

Dividend payments directly into bank accounts

Dividends can be paid automatically into your bank or building society account. This service has a number of benefits:

- no risk of the dividend cheque being lost in the post;
- the dividend payment is cleared more quickly as the cash is paid directly into the account on the payment date without the need to pay in the cheque and wait for it to clear; and
- since the 2009/10 financial year, a single consolidated tax voucher is issued annually in February in time for your self assessment tax return.

To take advantage of this service or for further details contact Equiniti or visit www.shareview.co.uk

Dividend reinvestment plan

A dividend reinvestment plan was introduced in July 2009.

The plan gives shareholders the option of using their dividend payments to buy more Severn Trent Plc shares instead of receiving cash. If you would like to participate in the plan, please request a dividend reinvestment plan mandate from Equiniti Financial Services Limited.

Telephone: 0871 384 2268*

Lines are open from 8.30am to 5.30pm Monday to Friday.

Telephone number from outside the UK: +44 121 415 7058

Overseas dividend payments

Shareholders in over 30 countries have the opportunity to receive Severn Trent dividends in their local currency. For a small administration fee, shareholders can have their dividends automatically converted from sterling and paid into their bank account, normally within five working days of the dividend payment date. Please call +44 121 415 7044 for further details.

Information for shareholders (continued)

Amalgamating different share accounts

Shareholders with more than one account, arising from inconsistencies in name or address details, may avoid receipt of duplicate mailings by asking the registrar to amalgamate their holdings.

Lost investors

During 2009/10 we have appointed ProSearch to look for investors who have failed to keep their details up to date. We have unclaimed funds waiting to be claimed. Shareholders are reminded that if they move house they need to contact Equiniti and advise them of their new address.

Buying and selling shares in the UK

If you wish to buy or sell certificated Severn Trent shares, you will need to use a stockbroker or high street bank which trades on the London Stock Exchange. There are also many telephone and online services available to you. If you are selling, you will need to present your share certificate at the time of sale. Details of low cost dealing services may be obtained from www.shareview.co.uk or 0845 603 7037.

Share price information

Shareholders can find share price information on our website and in most national newspapers. Ceefax, where available, also display share prices that are updated regularly throughout the trading day. For a real-time buying or selling price, you should contact a stockbroker.

Gifting your shares

To transfer your shares to another member of your family as a gift, please request a gift transfer form from Equiniti. The completed transfer form together with the relevant share certificate(s) should be returned to Equiniti to record the change in ownership.

If you have a small number of shares and would like to donate them to charity, please ask Equiniti for a ShareGift (charity donation scheme) transfer form. ShareGift (registered charity No. 1052686) is an independent charity which provides a free service for shareholders wishing to dispose charitably of small numbers of shares, which would cost more to sell than they are worth. Further information is also available on the ShareGift website at www.sharegift.org or by telephoning 0207 337 0501.

Shareholder security

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive and the number of this type of fraud has increased dramatically in recent years. A 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000. It is not just the novice investor that has been duped in this way: many of the victims had been successfully investing for several years.

In addition, in the current economic climate, boiler rooms are now targeting victims who have redundancy money or those who are not experienced investors, and are asking for smaller sums of money to be invested.

If you receive any unsolicited investment advice:

- ensure you get the full name of the person and organisation;
- check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register/
- report the matter to the FSA either by calling 0300 500 5000 or visiting www.moneymadeclear.fsa.gov.uk; and
- if the calls persist, hang up.

Please be aware that if you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law_alerts/overseas.shtml

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. Details of any share dealing facilities that the company endorses will be included in company mailings or on our website. For more detailed information from the FSA go to moneymadeclear.fsa.gov.uk

Shareholder fraud – tips on protecting your shareholding

To reduce the risk of fraud happening to you please consider the following:

- ensure all your share certificates and dividend tax vouchers are kept in a safe place, or consider holding your shares electronically in CREST via a nominee;
- keep all correspondence from the registrar in a safe place. Destroy all correspondence showing your personal details (e.g. shareholder reference number) by shredding;
- if you change your address inform the registrar. If you receive a letter from the registrar regarding a change of address and have not recently moved house, please contact them immediately. You may be a victim of identity theft; and
- know when dividends are paid. Consider having your dividend paid directly into your bank or building society account, reducing the risk of cheques being intercepted or lost in the post. If you change your bank or building society account, inform the registrar of the details of your new account immediately. Respond to any letters the registrar sends you about this.

If you have any reason to believe that you may have been the target of a fraud, or attempted fraud, please contact the registrar immediately.

Unsolicited mail

The company is legally obliged to make its share register available to the general public. Consequently some shareholders may receive unsolicited mail. If you wish to limit the amount of unsolicited mail you receive please contact:

The Mailing Preference Service (MPS),
Freepost 29 LON20771, London W1E 0ZT

Alternatively, register online at www.mpsonline.org.uk or call the MPS Registration line on 0845 703 4599.

Share capital history

Information on the company's share capital history, including the share capital reorganisation in August 1997 and the demerger of Biffa Plc, return of capital by payment of a special dividend and share consolidation in October 2006, is available from the Investor Centre pages on our website.