

SEVERN

TRENT

28th January 2010

Chris Hodge
Corporate Governance Unit
Financial Reporting Council
Aldwych House
71-91 Aldwych
LONDON WC2B 4HN

Severn Trent Plc
2297 Coventry Road
Birmingham B26 3PU
Tel 0121 722 4000
Fax 0121 722 4800
www.severntrent.com

Direct Line 0121 722 4730
Direct Fax 0121 722 4290
Our Ref STPlc/KAP

Dear Chris

Consultation on the revised UK Corporate Governance Code

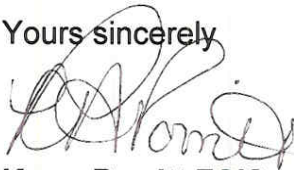
Further to our initial feedback dated 12 May 2009 regarding the review of the effectiveness of the Combined Code, we have considered the points raised in the above document by the FRC and would like to input our feedback to the consultation.

Severn Trent believes that the points raised in our initial feedback have been considered and addressed, in particular, the commitment to the unitary board and the importance of the role that the Chairman brings to bear on a board and organisation.

With regard to the now proposed changes:

- We support the proposal that the Chairman (and not all of the directors) should be subject to annual election by shareholders.
- We further support the proposal that companies are given the choice of whether to put the corporate governance report statement on the website with an edited version being put into the annual report.
- In respect of costs and benefits arising from the now proposed changes, it is difficult to be precise prior to the other actions resulting from the review being complete, for example, the consultation on the Turnbull Guidance and the updated good practice guidance from the 2003 Higgs Report. We already have regular external effectiveness reviews and have found them beneficial. However, we would expect to see the demands on the Company Secretary in providing advice and support to the directors on the changes and in the maintaining of good governance in the board room and within the company increase accordingly.

Yours sincerely



Kerry Porritt FCIS
Deputy Secretary