

PENNON

GROUP PLC

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FROM THE CHAIRMAN - KEN HARVEY CBE

Mr Jonson Cox
Chairman
Ofwat
Centre City Tower
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21 October 2013

Dear Jonson

BOARD LEADERSHIP, TRANSPARENCY AND GOVERNANCE – PRINCIPLES

I am writing in response to your letter dated 19 September with regard to Board leadership, transparency and governance principles.

The Board of South West Water (SWW) has carefully reviewed the proposed governance principles document (ie Board leadership, transparency and governance - principles (Part 1 and 2)) at its recent meeting.

May I confirm that the SWW Board agrees the principles and will make the necessary adjustments that may be required to ensure compliance.

In due course we will advise you of our code which will set out how SWW intends to apply the proposed principles.

Yours sincerely

