



Sir Adrian Montague, CBE
Chairman

Rt Hon Alistair Carmichael MP
Chair, Environment, Food and Rural Affairs Committee
House of Commons
London
SW1A 0AA
SENT VIA EMAIL

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19th May 2025

Dear Mr Carmichael

[Environment, Food and Rural Affairs Committee oral evidence: Reforming the water sector, held on 13 May 2025](#)

We welcomed the opportunity to address Members' questions at the oral evidence session on 13 May. Following the session we have been approached by The Guardian who we understand intend to write a story suggesting that we misled the committee in relation to the Company's management retention plan.

I appreciate that in the heat of the moment I may have misspoken when I stated that the creditors insisted on the management retention plan. I wanted to confirm that the concept of a management retention plan arose from our discussions related to our liquidity extension transaction, and is funded through the super senior funding. It was agreed that a retention plan was important to retain the people best placed to deliver the improved outcomes our stakeholders rightly expect during this current period of uncertainty and this was reflected in the term sheet we agreed with our creditors. The concept was also in the term sheet proposed by the ad hoc committee of Class B Creditors (which was not subject to discussion with management).

I hope this letter is helpful to the committee. Please do let us know if you have any questions.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Adrian Montague".

Sir Adrian Montague, CBE