

BRITISH SKY BROADCASTING PLC

AGM – 29 NOVEMBER 2011

STATEMENT BY GUY R JUBB, HEAD OF GOVERNANCE & STEWARDSHIP, STANDARD LIFE INVESTMENTS LIMITED

My name is Guy Jubb and I am Head of Governance and Stewardship at Standard Life Investments.

Standard Life Investments manages over 6 million shares in BSkyB and we have been an investor for many years.

I have come here today because we should like to explain to the Board and our fellow shareholders why we are opposing the re-election of James Murdoch. Also, I want to explain why we are opposing the Remuneration Report. Our proxies have been duly lodged.

Let me first focus on Mr Murdoch as Chairman. In September, we wrote to Mr Ferguson, the Deputy Chairman and Senior Independent Director, to advise him that we were concerned that James Murdoch remains Chairman of the Board and that we should like to see a new and independent Chairman appointed.

We explained to Mr Ferguson that the unsuccessful bid approach from News Corporation had magnified the conflicts of interest which the independent non-executive directors have to deal with and, therefore, that it is inappropriate that the Group's Board (or indeed the board of any company) is led by a representative of its largest shareholder and putative offeror.

We pointed out that our misgivings had been heightened by the revelations of stewardship short-comings at the News of the World, a title for which Mr Murdoch bore a measure of responsibility.

In summary, we told Mr Ferguson that we believe that a change in Mr Murdoch's Board responsibilities would be in the best interests of the Company.

Earlier this month Mr Ferguson sent to us a considered reply which, sadly, concluded by reflecting the unanimous view of the Independent Directors that Mr Murdoch should remain as Chairman. I want to let the Independent Directors know that we are deeply disappointed that not one of them shares our belief that it is inappropriate for Mr Murdoch to chair the Board.

Since we wrote our letter to Mr Ferguson in September, nothing has changed to cause us to change our view.

Therefore, we are voting our clients' shares against the re-election of Mr Murdoch. We hope that after this meeting, when the voting outcome is known, the Independent Directors will reflect carefully on not only the level of dissent amongst independent shareholders but also the tone of the comments that accompany their votes.

We trust the Board will note our views on this matter.

Turning to remuneration, we are far from convinced as to the necessity of paying the retention bonus to the Chief Executive and the Finance Director. Mr Ferguson, in his capacity as Remuneration Committee Chairman, has explained the rationale the Committee used but I'm afraid we don't agree.

We believe the executive directors, who are well rewarded, should have been capable of demonstrating loyalty to the Company without any special incentive. And the fact that the executives are deemed by the non-executives to be so indispensable begs deeper and wider questions about the company's corporate governance, in general, and succession planning, in particular. Suffice it to say, we are unimpressed.

To conclude, I have a question that I should like to address to Mr Ferguson and ask, does he intend that the Independent Directors will convene separately to consider the findings of the Leveson Inquiry into media ethics and report their views to the Board.