

VEDANTA RESOURCES PLC

AGM – 28 AUGUST 2012

STATEMENT BY ALISON KENNEDY, GOVERNANCE & STEWARDSHIP DIRECTOR, STANDARD LIFE INVESTMENTS LIMITED

Mr Chairman, ladies & gentlemen, my name is Alison Kennedy and I am a Governance & Stewardship Director with Standard Life Investments. Standard Life Investments are long term investors in Vedanta Resources and, on behalf of our clients, hold over nine million shares. We have today instructed our proxy to vote against the resolution to approve the new Employee Share Ownership Plan. This is currently the only equity incentive plan in which executive directors will participate, yet, contrary to good practice, the performance conditions for awards under the Plan are not clearly set out and awards start to vest after just one year. However, the key issue I wish to address today relates to board composition where it is relevant to note that we have abstained on the re-election of those directors that are members of the Nominations Committee.

We recognise that the Vedanta board has a number of unusual governance features. We are also mindful of succession planning issues as three of the four non-executive directors joined within the same twelve month period and are now approaching nine years on the board.

Over the past seven years, we have had an ongoing dialogue with Mr Chandra about board composition and have written to, and met with him, to convey our views and concerns. Our particular concern has been the need to strengthen the board by the appointment of new non-executive directors that are demonstrably independent of the majority shareholders and of other aspects that may give rise to perceived conflicts of interest. Importantly, these individuals should also have experience, as directors, of boards that adhere to the principles of the UK Corporate Governance Code. In this regard, we note the recent appointment of Geoffrey Green. Mr Green has not previously served on the board of a UK listed company and, whilst we are pleased to support his appointment, I should like to make it clear that his appointment, of itself, is not sufficient to address our concerns. We expect further appointments to follow over the course of the coming twelve months. Should this not be the case, it is likely that we would vote against the election of Nomination Committee members next year.

We note that none of the non-executive directors appear to have operational experience of the resources industry which is surprising. In addition, there are no women on the board although we note the Nominations Committee's stated desire to see gender diversity.

Mr Chairman, moving now to my question, as I said, we expect further board appointments over the coming 12 months and we would like your confirmation that arrangements are in hand to identify suitable candidates who have the qualities that we are seeking? In addition, although it is not your policy to use external search agencies for all board appointments, we believe it would be appropriate in this situation and would ask you to confirm that this will be the case?