

April 2013

**BP p.l.c.
ANNUAL GENERAL MEETING – 11 APRIL 2013
STATEMENT BY STANDARD LIFE INVESTMENTS
LIMITED ¹**

Mr Chairman, ladies and gentlemen.

Standard Life Investments manage over 250 million shares and we have been long-term investors in BP. I have come here today to impress on the Board that there are a number of issues that we want to see addressed.

First, we want to see the remuneration policies at BP strengthened. In particular, we are concerned that the executives have the potential to receive significant rewards for achieving unchallenging performance targets, which, as a matter of principle we oppose.

Second, we want to see BP's remuneration policies simplified. The 2013 remuneration policy is summarised on page 136 of the Annual Report and contains 15 different performance metrics to incentivise management, which speaks for itself. We want to see a simplified, cohesive policy that is demonstrably aligned with BP's values and strategy.

We welcome the Chairman's commitment to diversity as set out in the Annual Report and we trust the Board will make progress on this over the coming year. It should expect us to hold it to account.

In closing, I should like the Board to note that we have voted against or abstained on remuneration related resolutions at seven out of the last eight AGMs. We want to see the Remuneration Committee raise its game and make significant improvements to address our concerns. Mr Chairman, can you assure us that a review of remuneration policies will be a Board priority over the coming year?

¹ The statement was delivered by Guy R Jubb, Global Head of Governance & Stewardship at Standard Life Investments.

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