

## SUSTAINABLE VOTING ADVICE

Company: Royal Dutch Shell  
 Date AGM: 19 May 2009 - 11:00  
 Place AGM: Circustheater, The Hague

Agenda item	Proposal	VBDO Advice <sup>1</sup>
1.	That the Company's annual accounts for the financial year ended December 31, 2008, together with the Directors' report and the Auditors' report on those accounts, be received.	For
2.	That the Remuneration Report for the year ended December 31, 2008, set out in the Annual Report and Accounts 2008 and summarised in the Annual Review and Summary Financial Statements 2008, be approved.	Against
3.	That Simon Henry be appointed as a Director of the Company with effect from May 20, 2009.	For
4.	That Lord Kerr of Kinlochard be re-appointed as a Director of the Company.	Against
5.	That Wim Kok be re-appointed as a Director of the Company.	For
6.	That Nick Land be re-appointed as a Director of the Company.	For
7.	That Jorma Ollila be re-appointed as a Director of the Company.	For
8.	That Jeroen van der Veer be re-appointed as a Director of the Company.	Against
9.	That Hans Wijers be re-appointed as a Director of the Company.	For
10.	That PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company.	- <sup>2</sup>
11.	That the Board be authorised to settle the remuneration of the Auditors for 2009.	-
12.	That the Board be and hereby is generally and unconditionally authorised in substitution for all other subsisting authorities, to the extent unused, to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of €145 million, such authority to expire on June 30, 2010 or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (unless previously revoked or varied by the Company in general meeting), save that the Company	-

<sup>1</sup> Explanation follows after the voting advice

<sup>2</sup> VBDO does currently not have a sustainable voting advice on this item.

	may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.	
13.	That subject to the previous resolution being passed the Board be and hereby is empowered, pursuant to Section 95 of the Companies Act 1985, to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by the previous resolution and/or where such allotment is treated as an allotment of equity securities under Section 94(3A) of the said Act as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment, provided that this power shall be limited:	-
13a.	to the allotment of equity securities in connection with a rights issue, open offer or any other pre-emptive offer in favour of holders of ordinary shares (excluding treasury shares) where the equity securities respectively attributable to the interests of such ordinary shareholders on a fixed record date are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them (as the case may be) (subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever); and	
13b.	in the case of the authority granted under Resolution 12 and/or in the case of any transfer of treasury shares which is treated as an allotment of equity securities under Section 94 (3A) of the Companies Act 1985, to the allotment (otherwise than pursuant to sub-paragraph (A) above) of equity securities up to an aggregate nominal value of €21 million, and shall expire on June 30, 2010 or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.	
14.	That the Company be authorised to make market purchases (as defined in Section 163 of the Companies Act 1985) of up to 624 million ordinary shares of €0.07 each in the capital of the Company at prices of not less than €0.07 per share and not more than the higher of:	-
14a.	5% above the average market value of those shares for the five business days before the purchase is made; and	
14b.	that stipulated by Article 5(1) of Commission Regulation (EC) No. 2273/2003, such authority to expire on June 30, 2010 or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but so that the Company may before such expiry, pursuant to the authority granted by this resolution, enter into a contract to purchase such shares which would or might be executed wholly or partly after such expiry. In executing this authority, the Company may purchase shares using any currency, including pounds sterling, US dollars and euros.	
15.	That, in accordance with Section 366 of the Companies Act 2006 and	-

	in substitution for any previous authorities given to the Company (and its subsidiaries), the Company (and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect) be authorised to:	
15a.	make political donations to political organisations other than political parties not exceeding £200,000 in total per annum; and	
15b.	incur political expenditure not exceeding £200,000 in total per annum, during the period beginning with the date of the passing of this resolution and ending on June 30, 2010 or, if earlier, at the conclusion of the next Annual General Meeting of the Company. In this resolution, the terms “political donation”, “political parties”, “political organisation” and “political expenditure” have the meanings given to them by Sections 363 to 365 of the Companies Act 2006.	

#### Explanatory notes

##### Item 1 - For

VBDO interprets the adoption of the Annual Accounts as the adoption of the Sustainability Report 2008. The decision of adoption is based on the level of transparency. Shell uses the G3 guidelines at the A+ level. Qualitative information is backed with quantitative information. Shell has installed an external review committee. In its report they make several suggestions of improvement, which VBDO hopes to see incorporated in next years report.

In addition the company profile drafted by SOMO (Centre of Research on Multinational Corporations) makes VBDO question the reports balance. According to this G3 principle of defining quality a report should include both positive and negative information. VBDO would like to see reference made to cases presented by SOMO in the Shell Sustainability Report to improve the quality of reporting.

Taken the possible improvements into account the Shell report scores well compared to other reports on transparency and therefore VBDO advises to vote for on this item.

##### Item 2 - Against

Part of the remuneration is based on sustainability indicators. This is mainly the performance on Shell’s standard safety measure, the total recordable case frequency. This improved with 0.1% in 2008. The number of fatalities however increased with 23.8%. This, combined with the underperformance on some other aspects on the Shell scorecard is the reason VBDO advises to vote against the adoption of the remuneration report.

##### Item 3 - For

VBDO thinks Mr Henry’s knowledge of the company will be an asset when acting as director of the company. Therefore VBDO advises to vote for the appointment of Mr Henry.

##### Item 4 - Against

Lord Kerr of Kinlochard is part of the remuneration committee. As such he failed to meet VBDOs expectations, as is explained under item 2. Therefore VBDO advises to vote against re-appointment of Lord Kerr of Kinlochard.

##### Item 5 - For

VBDO supports a sustainable relation between a company and its stakeholders. The members of the board are also stakeholders. Therefore VBDO advises to vote for the appointment of Nick Land for a new term as a member of the Board.

##### Item 6 - For

VBDO supports a sustainable relation between a company and its stakeholders. The members of the board are also stakeholders. Therefore VBDO advises to vote for the appointment of Nick Land for a new term as a member of the Board.

Item 7 - For

VBDO supports a sustainable relation between a company and its stakeholders. The members of the board are also stakeholders. Therefore VBDO advises to vote for the appointment of Jorma Ollila for a new term as a member of the Board.

Item 8 - Against

This item proposes to re-appoint Mr van der Veer as Director of the Company, which entails that after his retirement Mr van der Veer remains part of the Shell Board as non-executive director. However, VBDO thinks non-executives function as supervisors. Mr van der Veer would supervise activities he implemented earlier and therefore we question his impartiality. Therefore VBDO advises against the re-appointment of Mr van der Veer.

Item 9 - For

VBDO supports a sustainable relation between a company and its stakeholders. The members of the board are also stakeholders. Therefore VBDO advises to vote for the appointment of Hans Wijers for a new term as a member of the Board.