

**INFORMATION MEMORANDUM**



**SHELL INTERNATIONAL FINANCE B.V.**

*(incorporated with limited liability in The Netherlands  
and having its statutory domicile in The Hague)*

**as Issuer**

**ROYAL DUTCH SHELL PLC**

*(incorporated with limited liability in England)*

**as Issuer and Guarantor**

**U.S.\$25,000,000,000  
DEBT SECURITIES PROGRAMME**

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*Arranger*

**UBS INVESTMENT BANK**

*Dealers*

**BARCLAYS  
BoFA MERRILL LYNCH  
CREDIT SUISSE  
GOLDMAN SACHS INTERNATIONAL  
J.P. MORGAN  
MORGAN STANLEY  
SANTANDER GLOBAL BANKING &  
MARKETS  
THE ROYAL BANK OF SCOTLAND**

**BNP PARIBAS  
CITIGROUP  
DEUTSCHE BANK  
HSBC  
LLOYDS BANK  
RBC CAPITAL MARKETS  
SOCIÉTÉ GÉNÉRALE CORPORATE &  
INVESTMENT BANKING  
UBS INVESTMENT BANK**

**An investment in Notes issued under the Programme involves certain risks. For information on this see “Risk Factors”.**

**The date of this Information Memorandum is 15 August 2013**

## Overview of the Programme

Shell International Finance B.V. (“**Shell Finance**”) and Royal Dutch Shell plc (“**Royal Dutch Shell**”) (each an “**Issuer**” and, together, the “**Issuers**”) have established a programme (the “**Programme**”) to facilitate the issuance of notes and other debt securities (the “**Notes**”) guaranteed (in the case of Notes issued by Shell Finance) by Royal Dutch Shell (the “**Guarantor**”). The aggregate principal amount of Notes outstanding and guaranteed will not at any time exceed U.S.\$25,000,000,000 (or the equivalent in other currencies).

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the “**UK Listing Authority**”) for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the official list of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Notes to be admitted to trading on the London Stock Exchange’s regulated market.

References in this Information Memorandum to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the London Stock Exchange’s regulated market. The London Stock Exchange’s regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). However, Notes may be issued pursuant to the Programme on an unlisted basis or may be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed between the relevant Issuer, the Guarantor (in the case of Notes issued by Shell Finance) and the relevant Dealer (as defined below). The applicable Final Terms and/or applicable Pricing Supplement as the case may be (as defined below) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to listing on the Official List and to trading on the London Stock Exchange (or any other or further listing authority, stock exchange and/or quotation system, if applicable).

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Information Memorandum to “**Exempt Notes**” are to Notes (including Swiss Franc Domestic Notes as defined below) for which no prospectus is required to be published under the Prospectus Directive. The UK Listing Authority has neither reviewed nor approved any information in this Information Memorandum pertaining to Exempt Notes and the UK Listing Authority assumes no responsibility in relation to issues of Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “Terms and Conditions of the Notes”) of Notes (other than in the case of Exempt Notes, as defined above) will be set out in a final terms document (the “**Final Terms**”) which will be delivered to the UK Listing Authority and, where listed on such exchange, the London Stock Exchange. Copies of each Final Terms relating to the Notes will be available from the registered office of the relevant Issuer and from the specified office set out below of each of the Paying Agents (as defined below). In addition, Final Terms relating to Notes which are admitted to trading on the London Stock Exchange’s regulated market will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the “**Pricing Supplement**”).

**Any person (an "Investor") intending to acquire or acquiring any Notes from any person (an "Offeror") will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The relevant Issuer and (in the case of Notes issued by Shell Finance) the Guarantor will not be a party to any such arrangements with Investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Information Memorandum and any Final Terms will not contain such information. The Investor must look to the Offeror at the time of such offer for the provision of such information. The relevant Issuer and (if applicable) the Guarantor have no responsibility to an Investor in respect of such information.**

Royal Dutch Shell has been rated Aa1 by Moody’s Investors Service Ltd (“**Moody’s**”) and AA by Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”). For the purposes of the credit ratings included and referred to in this Information Memorandum, both Moody’s and S&P are established in the European Union and are registered under the Regulation (EC)

No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such, each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority's (ESMA) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued pursuant to the Programme may be rated or unrated. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme, the relevant Issuer or (if applicable) the Guarantor. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to “*Ratings of the Notes*” in the “*Risk Factors*” section of this Information Memorandum.

This Information Memorandum comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “**Prospectus Directive**”). The information contained in this Information Memorandum applies to all Notes (other than Exempt Notes) issued after the date of this Information Memorandum.

Each Tranche (as defined below) of Notes will be in bearer form and will be represented upon issue by either a temporary global note (each a “**Temporary Global Note**”) or, if so specified in the applicable Final Terms, a permanent global note (each a “**Permanent Global Note**”) and, together with a Temporary Global Note, the “**Global Notes**” and each a “**Global Note**”). In each case, the Temporary Global Note or the Permanent Global Note, as the case may be, will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below), on or prior to the issue date with a common safekeeper (if the Global Note(s) are intended to be issued in new global note (“**NGN**”) form, as stated in the applicable Final Terms), or a common depositary (if the Global Note(s) are not intended to be issued in NGN form), in each case on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer. Interests in a Temporary Global Note will only be exchangeable for interests in a Permanent Global Note or, if so stated in the relevant Final Terms (and subject to such notice period as is specified in the relevant Final Terms), for Notes in definitive form (“**Definitive Notes**”) on and after the first business day (the “**Exchange Date**”, which date shall be determined by the Agent (as defined herein)) following the expiry of 40 days after the later of (i) the issue date of the Notes of the relevant Tranche and (ii) the completion of the distribution of the Notes of such Tranche, upon certification as to non-U.S. beneficial ownership. Swiss Franc Domestic Notes (as defined below) will be represented upon issue by a Permanent Global Note and are subject to an exemption from the certification requirements under U.S. Treasury regulations. “**Swiss Franc Domestic Notes**” means an issue of Notes denominated in Swiss Francs or carrying a Swiss Franc-related element that is cleared through SIX SIS Ltd, the Swiss Securities Services Corporation in Olten, Switzerland, or any successor thereto (“**SIS**”).

Each of Shell Finance and Royal Dutch Shell (each an “**Obligor**” and, together, the “**Obligors**” and the “**Responsible Persons**”) accepts responsibility for the information contained in this Information Memorandum and the Final Terms or the Pricing Supplement, as the case may be, for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Obligors (having taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Information Memorandum in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer, the Managers and the persons named in or identifiable from the applicable Final Terms as the Financial Intermediaries, as the case may be.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the issue or sale of any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Obligors or any of the Dealers (as named under “*Overview of the Programme*” below). Subject to the paragraph entitled “*Information Memorandum supplement*” on page 23, none of the Obligors or the Dealers accepts any responsibility, express or implied, for updating this Information Memorandum. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either of the Obligors since the date of this Information Memorandum or that there has been no adverse change in the financial position of the Obligors since the

date of this Information Memorandum or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Information Memorandum and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Obligors and the Dealers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Information Memorandum, see “*Subscription and Sale*” below.

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Obligors or the Dealers to subscribe for, or purchase, any Notes.

None of the Dealers and the Trustee (as defined below) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Information Memorandum. Neither this Information Memorandum nor any other financial statements are intended to provide the basis of any credit, taxation or other evaluation and should not be considered as a recommendation by any Obligor, the Dealers or the Trustee that any recipient of this Information Memorandum or any other financial statements should purchase any Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Information Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. Each potential purchaser of Notes is advised to consult a professional adviser in connection therewith. None of the Dealers undertakes to review the financial condition or affairs of the Obligors during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in any Notes of any information coming to the attention of any of the Dealers.

This Information Memorandum has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) must be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may do so in circumstances in which no obligation arises for the relevant Issuer and (in the case of Notes issued by Shell Finance) the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive. None of the Obligors and any Dealer has authorised, nor does it authorise, the making of any offer of Notes in circumstances in which an obligation arises for the relevant Issuer and the Guarantor (if applicable) or any Dealer to publish or supplement a prospectus for such offer. References in this paragraph to the “**Prospectus Directive**” mean Directive 2003/71/EC and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State, and include any relevant implementing measure in the Relevant Member State, and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

**In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any such stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and regulations.**

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) understands thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In this Information Memorandum "Shell" and the "Shell Group" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them.

These expressions are also used where no useful purpose is served by identifying the particular company or companies. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this Information Memorandum refer to companies over which Royal Dutch Shell, either directly or indirectly, has control through a majority of the voting rights or the right to exercise control or to obtain the majority of the benefits and be exposed to the majority of the risks. The Consolidated Financial Statements consolidate the financial statements of the parent company and all subsidiaries. The companies in which Shell has significant influence but not control are referred to as "associated companies" or "associates" and companies in which Shell has joint control are referred to as "jointly controlled entities". Joint ventures are comprised of jointly controlled entities and jointly controlled assets. In this Information Memorandum, associates and jointly controlled entities are also referred to as "equity-accounted investments".

In this Information Memorandum, unless otherwise specified or the context otherwise requires, references to "U.S.\$", "U.S. Dollars" and "\$" are to the lawful currency of the United States, to "C\$" are to the lawful currency of Canada, to "A\$" are to the lawful currency of Australia, to "Swiss Francs" are to the lawful currency of Switzerland, to "euro" or "€" are to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and to "pounds sterling", "sterling" and "£" are to the lawful currency of the United Kingdom, and all references to "CNY" and "Renminbi" are to the lawful currency of the People's Republic of China (the "PRC") which, for the purposes of this Information Memorandum, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan.

## ISSUE OF NOTES

Notes will be issuable on a continuous basis in series (each a "Series"), such Notes having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, interest commencement date and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in a final terms document (the "Final Terms") or, in the case of Exempt Notes, a pricing supplement (the "Pricing Supplement"), both forms of which are set out in "Form of Final Terms" and "Form of Pricing Supplement" respectively, below.

This Information Memorandum should be read and construed in conjunction with any amendment or supplement hereto and all documents incorporated herein by reference (see "*Documents Incorporated by Reference*"). Furthermore, in relation to any Series of Notes, this Information Memorandum should be read and construed together with the relevant Final Terms or pricing supplement as the case may be.

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## Risk Factors

*In purchasing Notes, investors assume the risk that the Obligors may become insolvent or otherwise be unable to make all payments due in respect of the Notes issued under the Programme. There is a wide range of factors which individually or together could result in the Obligors becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Obligors may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Obligor's control. The Obligors have identified in this Information Memorandum a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.*

***The following is a general discussion of certain risks typically associated with the Obligors and the acquisition of, and holding, Notes issued under the Programme. It does not consider the investor's specific knowledge and/or understanding of risks typically associated with the Obligors and the acquisition of, and holding, Notes issued under the Programme, whether obtained through experience or circumstances that may apply to a particular investor.***

*References in this "Risk Factors" section to "Shell" means Royal Dutch Shell and all of its subsidiaries including Shell Finance B.V.*

### **Risks related to Shell's business**

Shell's operations and earnings are subject to competitive, economic, political, legal, regulatory, social, industry, business and financial risks, as discussed below. These could have a material adverse effect separately, or in combination, on Shell's operational performance, earnings or financial condition. Investors should carefully consider the risks discussed below.

*Shell is exposed to fluctuating prices of crude oil, natural gas, oil products and chemicals.*

Prices of oil, natural gas, oil products and chemicals are affected by supply and demand, both globally and regionally. Moreover, prices for oil and gas can move independently from each other. Factors that influence supply and demand include operational issues, natural disasters, weather, political instability, conflicts, economic conditions and actions by major oil-exporting countries. Price fluctuations could have a material effect. For example, in a low oil and gas price environment, Shell would generate less revenue from its Upstream production, and as a result certain long-term projects might become less profitable, or even incur losses. Additionally, low oil and gas prices could result in the debooking of proved oil or natural gas reserves, if they become uneconomic in this type of environment. Prolonged periods of low oil and gas prices, or rising costs, could also result in projects being delayed or cancelled, as well as in the impairment of certain assets. In a high oil and gas price environment, Shell could experience sharp increases in cost and under some production-sharing contracts Shell's entitlement to proved reserves would be reduced. Higher prices can also reduce demand for Shell's products. Lower demand for Shell's products might result in lower profitability, particularly in its Downstream business.

*Shell's ability to achieve strategic objectives depends on how Shell reacts to competitive forces.*

Shell faces competition in each of its businesses. While Shell seeks to differentiate its products, many of them are competing in commodity-type markets. If Shell does not manage its expenses adequately, its cost efficiency could deteriorate and unit costs might increase. This in turn might erode Shell's competitive position. Increasingly, Shell competes with government-run oil and gas companies, particularly in seeking access to oil and gas resources. Today, these government-run oil and gas companies control vastly greater quantities of oil and gas resources than the major, publicly held oil and gas companies. Government-run entities have access to



significant resources and may be motivated by political or other factors in their business decisions, which may harm Shell's competitive position or hinder its access to desirable projects.

*As Shell's business model involves trading and treasury risks Shell is affected by the global macroeconomic environment as well as financial and commodity market conditions.*

Shell subsidiaries and equity-accounted investments are subject to differing economic and financial market conditions throughout the world. Political or economic instability affects such markets. Shell uses debt instruments such as bonds and commercial paper (including Notes issued under the Programme) to raise significant amounts of capital. Should Shell's access to the debt markets become more difficult, the potential impact on Shell's liquidity could have an adverse effect on its operations. Commodity trading is an important component of Shell's supply and distribution function. Trading and treasury risks include, among others, exposure to movements in commodity prices, interest rates and foreign exchange rates, counterparty default and various operational risks. As a global company doing business in more than 70 countries, Shell is exposed to changes in currency values and exchange controls. While Shell undertakes some currency hedging, it does not do so for all of its activities. Shell has significant financial exposure to the euro and could be materially affected by a significant change in its value or any structural changes to the European Union ("EU") or the European and Monetary Union affecting the euro. While Shell does not have significant direct exposure to sovereign debt, it is possible that its partners and customers may have exposure which could impair their ability to meet their obligations to Shell. Therefore, a sovereign debt downgrade or default could have a material adverse effect on Shell.

*Shell's future hydrocarbon production depends on the delivery of large and complex projects, as well as on Shell's ability to replace proved oil and gas reserves.*

Shell faces numerous challenges in developing capital projects, especially large ones. Challenges include uncertain geology, frontier conditions, the existence and availability of necessary technology and engineering resources, availability of skilled labour, project delays, expiration of licences and potential cost overruns, as well as technical, fiscal, regulatory, political and other conditions. These challenges are particularly relevant in certain developing and emerging market countries, such as Iraq and Kazakhstan and in frontier areas, such as the Arctic. Such potential obstacles may impair Shell's delivery of these projects, as well as Shell's ability to fulfil related contractual commitments. Future oil and gas production will depend on Shell's access to new proved reserves through exploration, negotiations with governments and other owners of proved reserves and acquisitions, as well as developing and applying new technologies and recovery processes to existing fields and mines. Failure to replace proved reserves could result in lower future production.

*An erosion of Shell's business reputation would have a negative impact on Shell's brand, Shell's ability to secure new resources and Shell's licence to operate.*

Shell is one of the world's leading energy brands, and its brand and reputation are important assets. The Shell General Business Principles and Code of Conduct govern how Shell and its individual companies conduct their affairs. It is a challenge for Shell to ensure that all employees and contractors, well above 100,000 in total, comply with the principles. Failure – real or perceived – to follow these principles, or other real or perceived failures of governance or regulatory compliance, could harm Shell's reputation. This could impact Shell's licence to operate, damage Shell's brand, harm Shell's ability to secure new resources, limit Shell's ability to access the capital markets.

*Shell's future performance depends on the successful development and deployment of new technologies.*

Technology and innovation are essential to Shell. If Shell does not develop the right technology, does not have access to it or does not deploy it effectively, the delivery of Shell's strategy and our licence to operate may be adversely affected. Shell operates in environments where the most advanced technologies are needed. While these technologies are regarded as safe for the environment with today's knowledge, there is always the possibility of unknown or unforeseeable environmental impacts that could harm our reputation, licence to operate or expose Shell to sanctions or litigation.

*Rising climate change concerns could lead to additional regulatory measures that may result in project delays and higher costs.*

In the future, in order to help meet the world's energy demand, Shell expects its production to rise and more of its production to come from unconventional sources than at present. Energy intensity of production of oil and

gas from unconventional sources can be higher than that of production from conventional sources. Therefore, it is expected that both the CO<sub>2</sub> intensity of Shell's production, as well as Shell's absolute Upstream CO<sub>2</sub> emissions, will increase as Shell's business grows. Examples of such developments are Shell's expansion of oil sands activities in Canada and gas-to-liquids project in Qatar. Additionally, as production from Iraq increases, Shell expects that CO<sub>2</sub> emissions from flaring, which is the burning of natural gas which cannot be processed to dispose of such gas, will rise. Shell is working with its partners in Iraq on finding ways to capture the gas that is flared so that the gas can be processed and sold and not burnt off. Over time, Shell expects that a growing share of its CO<sub>2</sub> emissions will be subject to regulation and carry a cost. If Shell is unable to find economically viable, as well as publicly acceptable, solutions that reduce Shell's CO<sub>2</sub> emissions for new and existing projects or products, it may incur additional costs, delayed projects or reduced production in certain projects.

Moreover, continued public and political attention to climate change concerns, including existing and future regulatory frameworks to reduce greenhouse gas emissions, could result in increasing production costs, lengthening project implementation times and reducing demand for hydrocarbons.

*The nature of Shell's operations exposes Shell to a wide range of health, safety, security and environment risks.*

The health, safety, security and environment ("HSSE") risks to which Shell is potentially exposed cover a wide spectrum, given the geographic range, operational diversity and technical complexity of Shell's daily operations. Shell has operations, including oil and gas production, transport and shipping of hydrocarbons, and refining, in difficult geographies or climate zones, as well as environmentally sensitive regions, such as the Arctic or maritime environments, especially in deep water. This exposes Shell to the risk, among others, of major process safety incidents, effects of natural disasters, social unrest, personal health and safety, and crime. If a major HSSE risk materialises, such as an explosion or hydrocarbon spill, this could result in injuries, loss of life, environmental harm, disruption to business activities and, depending on their cause and severity, material damage to Shell's reputation and eventually loss of licence to operate. In certain circumstances, liability could be imposed without regard to Shell's fault in the matter. Requirements governing HSSE matters often change and are likely to become more stringent over time. Shell could incur significant additional costs in the future complying with such requirements or as a result of violations of, or liabilities under, HSSE laws and regulations, such as fines, penalties, clean-up costs and third party claims.

*Shell mainly self-insures its risk exposures.*

Shell insurance subsidiaries provide insurance coverage to Shell entities, generally up to \$1.15 billion per event and usually limited to Shell's percentage interest in the relevant entity. The type and extent of the coverage provided is equal to that which is otherwise commercially available in the third-party insurance market. While from time to time the insurance subsidiaries may seek reinsurance for some of their risk exposures, such reinsurance would not provide any material coverage in the event of an incident such as BP Deepwater Horizon. Similarly, in the event of a material environmental incident, there would be no material proceeds available from third-party insurance companies to meet Shell's obligations.

*An erosion of the business and operating environment in Nigeria is expected to adversely impact Shell's earnings and cash flow from operations.*

Shell faces various risks in its Nigerian operations. These risks include: security issues surrounding the safety of Shell's people, host communities, and operations; Shell's ability to enforce existing contractual rights; limited infrastructure; and potential legislation that could increase Shell's taxes or costs of operation. The Nigerian government is contemplating new legislation to govern the petroleum industry which, if passed into law, would likely have a significant adverse impact on Shell's existing and future activities in that country. During the first half year 2013 the operating environment in Nigeria deteriorated substantially. An erosion of the business and operating environment in Nigeria is expected to adversely impact Shell's earnings and cash flow from operations.

*Shell operates in more than 70 countries, with differing degrees of political, legal and fiscal stability. This exposes Shell to a wide range of political developments that could result in changes to laws and regulations. In addition, Shell subsidiaries and equity-accounted investments face the risk of litigation and disputes worldwide.*

Developments in politics, laws and regulations can – and do – affect Shell's operations. Potential developments include: forced divestment of assets; expropriation of property; cancellation or forced renegotiation of contract rights; additional taxes including windfall taxes, restrictions on deductions and retroactive tax claims; import

and export restrictions; foreign exchange controls; and changing environmental regulations and disclosure requirements. Certain governments, states and regulatory bodies have, in the opinion of Shell, exceeded their constitutional authority by attempting unilaterally to amend or cancel existing agreements or arrangements; by failing to honour existing contractual commitments; and by seeking to adjudicate disputes between private litigants. As a result of the financial crisis, US regulators have adopted regulations that would require disclosure of information on payments to governments, which Shell believe is immaterial to investors, but that could compromise confidential commercial arrangements and create conflicting legal requirements. Additional regulations targeted at the financial sector could have unintended consequences for Shell's trading, treasury and pension operations. For example, in Shell's Upstream activities these developments can and do affect land tenure, re-writing of leases, entitlement to produced hydrocarbons, production rates, royalties and pricing. Parts of Shell's Downstream businesses are also subject to price controls in some countries. From time to time, cultural and political factors play a role in unprecedented and unanticipated judicial outcomes that could adversely affect Shell. If Shell does not comply with policies and regulations, it may result in regulatory investigations, litigation and ultimately sanctions.

*Shell's operations expose Shell to social instability, terrorism, acts of war, piracy and government sanctions that could have an adverse impact on its business.*

As seen recently in north Africa and the Middle East, social and civil unrest, both within the countries in which Shell operates and internationally, can – and does – affect Shell. Potential developments that could impact Shell's business include international sanctions, conflicts, including war, acts of political or economic terrorism and acts of piracy on the high seas, as well as civil unrest and local security concerns that threaten the safe operation of Shell's facilities and transport of Shell's products. For example, EU sanctions have prohibited Shell from producing oil and gas in Syria and the USA and EU have imposed sanctions relating to transactions involving Iran and Sudan, among other countries. If such risks materialise, they can result in injuries and disruption to business activities.

*Shell relies heavily on information technology systems for Shell's operations.*

The operation of many of Shell's business processes depends on the availability of information technology ("IT") systems. Shell's IT systems are increasingly concentrated in terms of geography, number of systems, and key contractors supporting the delivery of IT services. Shell, like many other multinational companies, has been the target of attempts to gain unauthorised access through the internet to Shell's IT systems, including more sophisticated attempts often referred to as advanced persistent threat. Shell seeks to detect and investigate all such security incidents with the aim to prevent their recurrence. Disruption of critical IT services, or breaches of information security, could have adverse consequences for Shell.

*Shell has substantial pension commitments, whose funding is subject to capital market risks.*

Liabilities associated with defined benefit plans can be significant, as can the cash funding of such plans; both depend on various assumptions. Volatility in capital markets, and the resulting consequences for investment performance and interest rates, may result in significant changes to the funding level of future liabilities. In case of a shortfall, Shell might be required to make substantial cash contributions, depending on the applicable regulations.

*The estimation of proved reserves involves subjective judgements based on available information and the application of complex rules, so subsequent downward adjustments are possible.*

The estimation of proved oil and gas reserves involves subjective judgements and determinations based on available geological, technical, contractual and economic information. The estimate may change because of new information from production or drilling activities, or changes in economic factors, including changes in the price of oil or gas and changes in the taxation or regulatory policies of host governments. It may also alter because of acquisitions and divestments, new discoveries, and extensions of existing fields and mines, as well as the application of improved recovery techniques. Published proved oil and gas reserves estimates may also be subject to correction due to errors in the application of published rules and changes in guidance. Any downward adjustment would indicate lower future production volumes.

*Many of Shell's major projects and operations are conducted in joint ventures or associates. This may reduce Shell's degree of control, as well as its ability to identify and manage risks.*

A significant share of Shell's capital is invested in joint ventures or associates. In cases where Shell is not the operator Shell has limited influence over, and control of, the behaviour, performance and costs of operation of joint ventures or associates. Despite not having control, Shell could still be exposed to the risks associated with these operations. For example, Shell's partners or members of a joint venture or an associate (particularly local partners in developing countries) may not be able to meet their financial or other obligations to the projects, threatening the viability of a given project.

*Violations of antitrust and competition law carry fines and expose Shell or Shell's employees to criminal sanctions and civil suits.*

Antitrust and competition laws apply to Shell subsidiaries and equity-accounted investments in the vast majority of countries in which does business. Shell subsidiaries and equity-accounted investments have been fined for violations of antitrust and competition law. These include a number of fines by the European Commission Directorate-General for Competition ("DG COMP"). Due to the DG COMP's fining guidelines, any future conviction of Shell subsidiaries or equity-accounted investments for violation of EU competition law could result in larger fines. Violation of antitrust laws is a criminal offence in many countries, and individuals can be either imprisoned or fined. Furthermore, it is now common for persons or corporations allegedly injured by antitrust violations to sue for damages.

*Shell is currently subject to a Deferred Prosecution Agreement with the U.S. Department of Justice for violations of the Foreign Corrupt Practices Act.*

In 2010, a Shell subsidiary agreed to a Deferred Prosecution Agreement ("DPA") with the U.S. Department of Justice ("DOJ") for violations of the Foreign Corrupt Practices Act ("FCPA"), which arose in connection with its use of the freight-forwarding firm Panalpina. Also, Royal Dutch Shell has consented to a Cease and Desist Order from the U.S. Securities and Exchange Commission ("SEC") for violations of the record keeping and internal control provisions of the FCPA as a result of another Shell subsidiary's violation of the FCPA, which also arose in connection with the use of Panalpina in Nigeria. The DPA requires Shell to continue to implement a compliance and ethics programme designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws throughout Shell's operations. The DPA also requires Royal Dutch Shell to report to the DOJ, promptly, any credible evidence of questionable or corrupt payments. Any violations of the DPA, or of the SEC's Cease and Desist Order, could have a material adverse effect on Royal Dutch Shell.

*Royal Dutch Shell's Articles of Association determine the jurisdiction for shareholder disputes. This might limit shareholder remedies.*

Royal Dutch Shell's Articles of Association generally require that all disputes between its shareholders in such capacity and Royal Dutch Shell or its subsidiaries (or its Directors or former Directors) or between Royal Dutch Shell and its Directors or former Directors be exclusively resolved by arbitration in The Hague, the Netherlands, under the Rules of Arbitration of the International Chamber of Commerce. Royal Dutch Shell's Articles of Association also provide that, if this provision is for any reason determined to be invalid or unenforceable, the dispute may only be brought to the courts of England and Wales. Accordingly, the ability of shareholders to obtain monetary or other relief, including in respect of securities law claims, may be determined in accordance with these provisions.

## **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

### **Risks related to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

*Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

*Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Notes denominated in Renminbi are subject to additional risks***

Set out below is a description of the principal risks which may be relevant to an investor in Notes denominated in Renminbi:

*The Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC*

The Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and cities in the PRC and to make Renminbi trade and other current account item settlement available in all countries worldwide.

It was further extended in August 2011 to cover all provinces and cities in the PRC. PRC regulation on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually. Generally, remittance of Renminbi by foreign investors into the PRC for capital account purposes such as shareholders' loan or capital contribution is still subject to specific approvals from the relevant authorities on a case by case basis on a strict account monitoring system.

On 12 October 2011, the Ministry of Commerce People's Republic of China ("MOFCOM") promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the "**MOFCOM RMB FDI Circular**"). Pursuant to the MOFCOM RMB FDI Circular, prior written consent from the appropriate office of

MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for Renminbi foreign direct investments (“**RMB FDI**”). The MOFCOM RMB FDI Circular also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreements. On 13 October 2011, The People’s Bank of China (“**PBOC**”) issued the Measures on Administration of the Renminbi Settlement in relation to Foreign Direct Investment (the “**PBOC RMB FDI Measures**”) to roll out the PBOC’s detailed RMB FDI accounts administration system, which cover almost all aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as Renminbi denominated cross-border loans. Under the PBOC RMB FDI Measures, special approval for RMB FDI and shareholder loans from the PBOC which was previously required is no longer necessary. In some cases however, post-event filing with PBOC is still necessary.

As the MOFCOM RMB FDI Circular and the PBOC RMB FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant PRC authorities.

There is no assurance that the PRC government will continue to gradually liberalise the control over cross border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 (as extended) will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, the relevant Issuer will need to source Renminbi offshore to finance its obligations under the Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the relevant Issuer’s ability to source Renminbi outside the PRC to service such Renminbi Notes*

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the “**Settlement Agreement**”) between the PBOC and Bank of China (Hong Kong) Limited (the “**Renminbi Clearing Bank**”) to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As at 30 April 2013 the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately Renminbi 677.2 billion according to data published by the HKMA. Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to CNY 20,000 per person per day. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent the relevant Issuer is required to source Renminbi in the offshore market to service the Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

*Payments for Notes denominated in Renminbi will only be made to investors in the manner specified for such Notes in the terms and conditions*

Investors may be required to provide certificates and other information (including Renminbi account information) in order to allow the relevant Paying Agent to carry out the relevant procedures to process payments in Renminbi in accordance with the usual banking practices in Hong Kong. Except in the limited circumstances stipulated in Condition 5(f), all payments to investors in respect of Notes denominated in Renminbi will be made solely (i) for so long as such Notes are represented by a Temporary Global Note or a Permanent Global Note held with the common depositary, for Euroclear and Clearstream or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures or those of such alternative clearing system, or (ii) for so long as such Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations; the relevant Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

*Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws*

Under the PRC Enterprise Income Tax Law and its implementation rules which took effect on 1 January 2008, any gain realised on the transfer of Notes denominated in Renminbi by non resident enterprise Holders may be subject to enterprise income tax if such gain is regarded as income derived from sources within the PRC. However, there remains uncertainty as to whether the gain realised from the transfer of Notes denominated in Renminbi would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementation rules. According to the arrangement between the PRC and Hong Kong, residents of Hong Kong, including enterprise holders and individual holders, will not be subject to PRC tax on any capital gains derived from a sale or exchange of the Renminbi Notes.

Therefore, if non resident enterprise Holders are required to pay PRC income tax on gains on the transfer of Notes denominated in Renminbi (enterprise income tax and individual income tax are currently levied at the rate of 10 per cent. and 20 per cent., respectively, of the gross proceeds, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non resident enterprise holders of Notes denominated in Renminbi reside that reduces or exempts the relevant tax), the value of their investment in Notes denominated in Renminbi may be materially and adversely affected.

*Investment in the Notes is subject to exchange rate risks*

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

*Renminbi currency risk*

There can be no assurance that access to Renminbi for the purposes of making payments under the Notes by the relevant Issuer or generally will remain or that new PRC regulations will not be promulgated which have the effect of restricting availability of Renminbi outside of the PRC. If it becomes impossible to convert Renminbi from/to another freely convertible currency, or transfer Renminbi between accounts in Hong Kong, or the general Renminbi exchange market in Hong Kong becomes illiquid, or any Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended, the relevant Issuer may make any payment of Renminbi under the Notes in another currency selected by the relevant Issuer using an exchange rate determined by the Calculation Agent or an exchange rate specified in the applicable Final Terms.

#### **Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

*Modification, waivers and substitution*

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders

including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer or (iii) the substitution of another company in place of the Guarantor, in the circumstances described in Condition 16 of the terms and conditions of the Notes.

*The right to receive payments on the Notes issued by Royal Dutch Shell or under the Guarantee is subordinated to the other liabilities of its subsidiaries*

Royal Dutch Shell is organised as a holding company, and substantially all of its operations are carried on through subsidiaries of Royal Dutch Shell. Royal Dutch Shell's ability to meet its financial obligations is dependent upon the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances and other payments. Moreover, Shell Finance is a special purpose financing vehicle that was formed for the purpose of raising debt for the Shell Group. Shell Finance conducts no business or revenue-generating operations of its own. Shell Finance has no subsidiaries and will rely on payments (including principal and interest) from Royal Dutch Shell and other subsidiaries in the Shell Group to whom it has on-lent the proceeds of any debt securities issued by it in order to make payments on securities issued by it. Royal Dutch Shell's subsidiaries are not guarantors of the Notes that may be issued under the Programme. Claims of the creditors of Royal Dutch Shell's subsidiaries have priority as to the assets of such subsidiaries over the claims of Royal Dutch Shell. Consequently, in the event of insolvency of Royal Dutch Shell, the claims of holders of debt securities guaranteed or issued by Royal Dutch Shell would be structurally subordinated to the prior claims of the creditors of subsidiaries of Royal Dutch Shell.

*The Notes are unsecured*

The Notes issued under the Programme will be unsecured. If Royal Dutch Shell or Shell Finance default on the Notes or Royal Dutch Shell defaults on the Guarantee, or in the event of bankruptcy, liquidation or reorganisation, then, to the extent that Royal Dutch Shell or Shell Finance have granted security over their assets, the assets that secure these debts will be used to satisfy the obligations under that secured debt before Royal Dutch Shell or Shell Finance could make payment on the Notes or the Guarantee, as applicable. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness.

*EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual (who is the beneficial owner of those payments) resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The Directive does not preclude EU Member States from levying other types of withholding tax. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Save as set out in Condition 7 of the Terms and Conditions of



the Notes, the relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

#### *FATCA*

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems (see “*Taxation - Foreign Account Tax Compliance Act*”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The relevant Issuer’s obligations under the Notes that are in global form and held within the clearing systems are discharged once the paying agent has paid the clearing systems and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

#### *Change of law*

The conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

#### *Notes where denominations involve integral multiples: Definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### **Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an

investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Interest rate risks*

Interest rate risk occurs when the interest rate payable on assets and liabilities for a fixed period do not coincide. Investments in Notes with fixed interest involve a risk that subsequent changes in market interest rates may adversely affect the value of fixed interest Notes. Investments in Notes with floating interest involve a risk of adverse changes in the interest rate payable on the Notes.

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non- EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

## Overview of the Programme

**The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).**

Words and expressions defined in “*Terms and Conditions of the Notes*” shall have the same meanings in this overview.

### **The Issuers:**

Shell International Finance B.V.

Shell Finance has its corporate seat in The Hague, The Netherlands. Its registered office is at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111.

Royal Dutch Shell plc

Royal Dutch Shell’s registered office is at Shell Centre, London SE1 7NA, UK and its headquarters are at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111. Royal Dutch Shell is considered a resident of The Netherlands for Dutch and UK tax purposes.

Shell is one of the world’s largest independent oil and gas companies in terms of market capitalisation, operating cash flow and oil and gas production.

Shell’s Upstream organisation consists of two businesses: Upstream Americas covering North and South America, and Upstream International covering the rest of the world.

The Downstream organisation consists of the refining and marketing for oil products and chemical activities. It also includes the trading of hydrocarbons and other energy-related products, Shell’s interests in alternative energy (including biofuels but excluding Wind, which is part of Upstream) and CO<sub>2</sub> management.

Projects & Technology combines all of Shell’s major project delivery, technical services and technology capability covering both Upstream and Downstream. It also oversees Shell’s, safety and environmental performance, and contracting and procurement.

### **The Guarantor (in the case of Notes issued by Shell Finance):**

Royal Dutch Shell plc

### **Risk Factors:**

There are certain factors that may affect an Issuer’s ability to fulfil its obligations under the Notes issued under the Programme. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee. These include (a) price fluctuations in crude oil, natural gas, oil products and chemicals; (b) competition, particularly from state-run entities; (c) exposure to changes in economic and financial market conditions; (d) dependence on delivery of large capital projects and on access to new proved reserves; (e) reputational risk; (f) successful development and deployment of new technologies; (g) climate change concerns and additional regulatory measures; (h) exposure to a wide range of health, safety, security and environmental risks; (i) risks in Shell’s Nigerian operations, including security issues, ability to enforce contractual rights, limited infrastructure and the impact of potential new legislation relating to the petroleum industry in Nigeria; (j) exposure to political, legal and fiscal stability in the

numerous countries in which Shell operates; (k) exposure to social instability, terrorism and acts of war or piracy; (l) reliance on information technology systems; (m) capital market risks, particularly with regard to Shell's pension commitments; (n) difficulties in estimating reserves; (o) risks relating to the use of joint ventures and associated companies to conduct certain major projects and operations; and (p) potential violations of antitrust and anticorruption laws. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see "Risk Factors").

<b>Arranger:</b>	UBS Limited
<b>Dealers:</b>	Banco Santander, S.A. Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Lloyds TSB Bank plc Merrill Lynch International Morgan Stanley & Co. International plc RBC Europe Limited Société Générale The Royal Bank of Scotland plc UBS Limited and any other dealer appointed from time to time either in respect of a single Tranche or in respect of the whole Programme.
<b>Currencies:</b>	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which the Notes are denominated.  Swiss Franc Domestic Notes and payments in respect of the Swiss Franc Domestic Notes will be denominated in Swiss Francs only.
<b>Trustee:</b>	Citicorp Trustee Company Limited
<b>Agent:</b>	Citibank, N.A., London Branch
<b>Programme Amount:</b>	Up to U.S.\$25,000,000,000 (or the equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time. The Obligors may increase the Programme Amount in accordance with the terms of the Dealer Agreement (as defined under " <i>Subscription and Sale</i> " below). The aggregate principal amount of Notes outstanding shall be determined, at the discretion of the relevant Issuer, either on the date of issue of the relevant Notes, on the date agreement is reached to issue such Notes or on the first day preceding such agreement date on which commercial banks and foreign exchange markets are open for business in London. The principal amount of Notes not denominated in U.S. Dollars shall be determined by reference to such sources as the relevant Issuer considers appropriate.
<b>Availability:</b>	The Programme will be continuously available. The maximum amount outstanding under the Programme will not exceed the Programme Amount.

<b>Maturity of the Notes:</b>	<p>Any maturity subject to compliance with all relevant laws, regulations and directives.</p> <p>Unless otherwise permitted by then current laws and regulations, Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “<i>Subscription and Sale</i>”.</p>
<b>Denominations:</b>	<p>Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer, save that the minimum denomination of each Note (other than an Exempt Note) admitted to trading on a regulated market in the European Economic Area or offered to the public in a Member State in circumstances which require the publication of a prospectus under the Prospectus Directive is intended, in the case of Notes issued by Shell Finance, to be €100,000 (or, if the Notes are denominated in a currency other than euro, the near equivalent in such other currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency as set out in the relevant Final Terms.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination, see “<i>Maturity of the Notes</i>” above.</p>
<b>Method of Issue:</b>	<p>Notes may be issued on a syndicated or non-syndicated basis. Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). Notes may be issued in Tranches on a continuous basis. Further Notes may be issued as part of an existing Series.</p>
<b>Form of Notes:</b>	<p>Notes shall be issued in bearer form only.</p> <p>Each Tranche of Notes will be represented upon issue by either a Temporary Global Note or, if so specified in the applicable Final Terms, a Permanent Global Note. In each case, the Temporary Global Note or the Permanent Global Note, as the case may be, will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg on the issue date with a common safekeeper (if the Global Note(s) are intended to be issued in NGN form, as stated in the applicable Final Terms) or a common depositary (if the Global Note(s) are not intended to be issued in NGN form), in each case on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer. Interests in a Temporary Global Note will only be exchangeable for interests in a Permanent Global Note or, if so stated in the relevant Final Terms, for Definitive Notes on and after the Exchange Date (as defined on page 3), upon certification as to non-U.S. beneficial ownership. Interests in a Permanent Global Note will only be exchangeable for Definitive Notes in accordance with its terms.</p>
<b>Issue Price:</b>	<p>Notes may be issued at their principal amount or at a discount or premium to their principal amount.</p>
<b>Fixed Rate Notes:</b>	<p>Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms and at maturity.</p>

<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, EURIBOR, LIBID or LIMEAN. The margin (if any) relating to an issue of Floating Rate Notes will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both. Interest periods will be specified in the relevant Final Terms (or, in the case of Exempt Notes, Pricing Supplement).
<b>Zero Coupon Notes:</b>	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
<b>Exempt Notes:</b>	The Issuer may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.
<b>Optional Redemption:</b>	The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
<b>Status of the Notes and the Guarantee in respect of them:</b>	The Notes and the Guarantee will be direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and the Guarantor (in the case of Notes issued by Shell Finance), respectively, and will rank <i>pari passu</i> and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the relevant Issuer and the Guarantor (in the case of Notes issued by Shell Finance), respectively, present and future, save for such obligations as may be preferred by mandatory provisions of law.
<b>Negative Pledge:</b>	The Notes contain no negative pledge.
<b>Cross Default:</b>	The Notes contain no cross default.
<b>Rating:</b>	Notes issued under the Programme may be rated or unrated. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes). Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
<b>Early Redemption:</b>	Except as provided in “Optional Redemption” above, Notes will be redeemable prior to maturity (i) at the option of the relevant Issuer only for tax reasons or (ii) following an Event of Default pursuant to Condition 9.
<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of, in the case of payments by Shell Finance, The Netherlands or, in the case of payments by Royal Dutch Shell, the United Kingdom or The Netherlands, in each case, subject to customary exceptions, all as described in “Terms and Conditions of the Notes — Taxation”.
<b>Governing Law:</b>	English.
<b>Selling Restrictions:</b>	The Notes are subject to restrictions on their offering, sale and delivery both

generally and specifically in the United States of America, the United Kingdom, The Netherlands, Japan, Hong Kong, the People's Republic of China, France, Belgium and the European Economic Area. These restrictions are described under "Subscription and Sale" below.

**Listing and admission to trading:**

Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Exempt Notes, including Swiss Franc Domestic Notes, will not be listed or subject to an application for listing on an exchange located outside Switzerland.

## Documents Incorporated by Reference

The following documents which have previously been published or are published simultaneously with this Information Memorandum and have been approved by the Financial Conduct Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (i) the Second Quarter 2013 Unaudited Condensed Interim Financial Report of Royal Dutch Shell, as filed with the United States Securities and Exchange Commission (the “SEC”) on Form 6-K on 1 August 2013, including the information set out at the following pages in particular:

Consolidated Statement of Income	Pages 10 to 11
Consolidated Balance Sheet	Page 12
Consolidated Statement of Changes in Equity	Page 13
Consolidated Statement of Cash Flows	Page 14
Accounting Principles and Notes	Pages 15 to 26

- (ii) Annual Report on Form 20-F filed by Royal Dutch Shell for the year ended 31 December 2012 (the “**2012 20-F**”), as filed with the SEC, including the information set out at the following pages in particular:

Consolidated Statement of Income	Page 99
Consolidated Balance Sheet	Page 100
Consolidated Statement of Changes in Equity	Page 101
Consolidated Statement of Cash Flows	Page 102
Accounting Principles and Notes	Pages 103 to 137

- (iii) Annual Report on Form 20-F filed by Royal Dutch Shell for the year ended 31 December 2011 as filed with the SEC, including the information set out at the following pages in particular:

Consolidated Statement of Income	Page 101
Consolidated Balance Sheet	Page 102
Consolidated Statement of Changes in Equity	Page 103
Consolidated Statement of Cash Flows	Page 104
Accounting Principles and Notes	Pages 105 to 140

- (iv) the audited non-consolidated financial statements of Shell Finance in respect of the year ended 31 December 2012, including the information set out at the following pages in particular:

Balance Sheet	Page 7
Profit and Loss Account	Page 8
Cash Flow Statement	Page 9
Accounting Principles and Notes	Pages 10 to 24



- (v) the audited non-consolidated financial statements of Shell Finance in respect of the year ended 31 December 2011, including the information set out at the following pages in particular:

Balance Sheet	Page 7
Profit and Loss Account	Page 8
Cash Flow Statement	Page 9
Accounting Principles and Notes	Pages 10 to 24

- (vi) the section “**Terms and Conditions of the Notes**” from each of the previous Information Memoranda relating to the Programme as follows: (a) Information Memorandum dated 22 July 2005 (pages 17-34 thereof), (b) Information Memorandum dated 3 August 2006 (pages 18-35 thereof), (c) Information Memorandum dated 1 August 2007 (pages 19-36 thereof), (d) Information Memorandum dated 4 August 2008 (pages 20-38 thereof), (e) Information Memorandum dated 5 June 2009 (pages 22-41 thereof), (f) Information Memorandum dated 1 July 2010 (pages 23-42 thereof), (g) Information Memorandum dated 28 June 2011 (pages 22-41 thereof), and (h) Information Memorandum dated 14 June 2012 (pages 26-47 thereof), save that (i) **any statement contained herein or** in any of the documents incorporated by reference shall be deemed to be modified or superseded for the purposes of this Information Memorandum to the extent that a statement contained in any documents subsequently incorporated by reference, by means of a supplement to this Information Memorandum approved by the UK Listing Authority, modifies or supersedes such statement and (ii) any documents which are incorporated by reference therein shall not constitute a part of this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum can be obtained, upon request and free of charge, from the registered office of each of the Obligors and will be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Information Memorandum shall not form part of this Offering Circular. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Information Memorandum.

### **Information Memorandum supplement**

The Obligors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement to this Information Memorandum or publish a new Information Memorandum for use in connection with any subsequent issue of Notes. The Obligors have undertaken to the Dealers in the Dealer Agreement that they will comply with Section 87 of the FSMA.

## Terms and Conditions of the Notes

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant listing authority and/or stock exchange (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. [The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. ]The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. References to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) attached hereto or endorsed hereon.*

This Note is one of a Series (as defined below) of notes (the notes of such Series being hereinafter called the “**Notes**”, which expression shall mean (i) in relation to Notes represented by a global note (a “**Global Note**”), units equal to each Specified Denomination in the Specified Currency, (ii) Notes in definitive form (“**Definitive Notes**”) issued in exchange for a Temporary or Permanent Global Note and (iii) any Global Note issued as indicated in the Final Terms (as defined below), by either Shell International Finance B.V. (“**Shell Finance**”) or Royal Dutch Shell plc (“**Royal Dutch Shell**”) (the “**Issuer**”) constituted by a Trust Deed dated 22 July 2005 (as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) made between Shell Finance, Royal Dutch Shell and Citicorp Trustee Company Limited, as trustee in relation to the Notes (the “**Trustee**”, which expression shall include any successor trustee). If the Notes are issued by Shell Finance they are guaranteed by Royal Dutch Shell (in such capacity, where applicable, the “**Guarantor**”) pursuant to the terms of the Trust Deed and as described in Condition 2. References herein to the Guarantor and the Guarantee shall only be relevant where the Issuer is Shell Finance and such references shall be disregarded where the Issuer is Royal Dutch Shell.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (as modified and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 15 August 2013 made between Shell Finance, Royal Dutch Shell, Citibank, N.A., London Branch as issuing agent, principal paying agent and agent bank (the “**Agent**”, which expression shall include any successor as agent), the other paying agents named therein (together with the Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents) and the Trustee.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the “**Conditions**”) or, if this Note is a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an “**Exempt Note**”), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the “**applicable Final Terms**” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Conditions to applicable Final Terms shall be deemed to be a reference to “**applicable Pricing Supplement**” where relevant.

Interest-bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms as defined below) have interest coupons (“**Coupons**”) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference in these Terms and Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The Trustee acts for the benefit of the holders of the Notes (the “**Noteholders**”, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the “**Couponholders**”, which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

## Terms and Conditions of the Notes

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement and applicable Final Terms are available for viewing at the specified office of the Trustee, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each Paying Agent. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms. Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

### 1. Form, Denomination and Transfer

The Notes are in bearer form in the Specified Currency or Currencies and the Specified Denomination(s) and, in the case of Definitive Notes, are serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note or any appropriate combination thereof or any other type depending upon the Interest/Payment Basis shown in the applicable Final Terms.

If it is a Definitive Note, it is issued with Coupons and, if applicable, Talons attached, unless it is a Zero Coupon Note in which case references to interest (other than interest due after the Maturity Date), Coupons and Couponholders in these Terms and Conditions are not applicable.

Without prejudice to the provisions relating to Global Notes set out below, title to the Notes and the Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes. For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes (standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, the Guarantor and the Trustee, solely in the bearer of the Global Note in accordance with and subject to its terms, or in the Trustee, in accordance with the Trust Deed (and the expressions “**Noteholder**”, “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

## Terms and Conditions of the Notes

Any references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Trustee.

### 2. Status and Guarantee

(a) *Status of Notes*: The Notes and Coupons (if any) relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, save for such obligations as may be preferred by mandatory provisions of law.

(b) *Guarantee*: The payment of principal and interest in respect of the Notes and all other moneys by Shell Finance under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the “**Guarantee**”). The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank and will rank *pari passu* and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the Guarantor, present and future, save for such obligations as may be preferred by mandatory provisions of law.

### 3. Interest

(a) *Interest on Fixed Rate Notes*

(i) Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount. If the Notes are in definitive form, except as provided above or in the applicable Final Terms, the amount of interest payable on each Fixed Interest Date in respect of the Fixed Interest Period ending on such date will amount to the Fixed Amount.

As used herein, “**Fixed Interest Period**” means the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.

(ii) Except in the case of Definitive Notes where a Fixed Amount, an Initial Broken Amount or a Final Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Fixed Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount (as specified in the applicable Final Terms),

and, in each case, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

In these Conditions:

“**Fixed Day Count Fraction**” means:

(i) If “**Actual/Actual-ICMA**” is specified in the applicable Final Terms:

## Terms and Conditions of the Notes

- (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
  - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) If “**30/360**” is specified in the applicable Final Terms, the number of days in the period from and including the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; or
- (iii) If “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) Such other day count fraction as specified in the applicable Final Terms;

“**Determination Period**” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as lawful currency in the country of such currency and, with respect to euro, means one cent.

### (b) *Interest on Floating Rate Notes*

#### (i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (A) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Terms and Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

## Terms and Conditions of the Notes

- (1) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, “**Business Day**” means a day which is both:

- (I) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and any other place as is specified in the applicable Final Terms (each an “**Additional Business Centre**”); and
- (II) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), (2) in relation to any sum payable in euro, a day on which the TARGET2 System is operating, or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement for Renminbi payments in Hong Kong.

In these Conditions, the following expressions have the following meanings:

“**CNY**” and “**Renminbi**” each means the lawful currency of the People’s Republic of China (the “**PRC**”) which, for the purposes of these Conditions, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan.

“**euro**” means the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“**Euro-zone**” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty;

“**TARGET2 System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System; and

“**Treaty**” means the Treaty establishing the European Community, as amended.

### (ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

#### (A) *Screen Rate Determination for Floating Rate Notes*

## Terms and Conditions of the Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fourth decimal place, 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 am (London time, in the case of the London inter-bank offered rate (“**LIBOR**”), the London inter-bank bid rate (“**LIBID**”) and the London inter-bank mean rate (“**LIMEAN**”) or Brussels time, in the case of the Euro-zone interbank offered rate (“**EURIBOR**”)) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

### (B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

For the purpose of this sub-paragraph (B), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, (the “**ISDA Definitions**”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is the day specified in the applicable Final Terms.

### (iii) Minimum and/or Maximum Interest Rate

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

### (iv) Determination of Rate of Interest and calculation of Interest Amounts

## Terms and Conditions of the Notes

The Agent, in the case of Floating Rate Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{360 \times \left( \frac{Y_2 - Y_1}{365} + \frac{M_2 - M_1}{30} + \frac{D_2 - D_1}{30} \right)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:



## Terms and Conditions of the Notes

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor \text{b} \times (M_2 - M_1) \rfloor + \lfloor \text{D}_2 - \text{D}_1 \rfloor}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor \text{b} \times (M_2 - M_1) \rfloor + \lfloor \text{D}_2 - \text{D}_1 \rfloor}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

- (v) *Notification of Rate of Interest and Interest Amounts*

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relative Interest Payment Date to be notified to the Trustee and any listing authority, stock exchange and/or quotation system by which the relevant Floating Rate Notes are for the time being admitted to listing, trading and/or quotation and to be published in accordance with Condition 15 as soon as practicable after their determination but in no event later than the fourth Business Day (as defined in Condition 3(b)(i) above) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Noteholders in accordance with Condition 15.

- (vi) *Determination or calculation by Trustee*

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If for any reason at any time after the Issue Date, the Agent defaults in its obligation to determine the Rate of Interest in accordance with sub-paragraph (ii) or in its obligation to calculate any Interest Amount in accordance with sub-paragraph (iv) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms), it shall deem fair and reasonable in all circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b), whether by the Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

(c) *Interest accrual*

Each Note (or, in the case of redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for redemption thereof unless payment of principal is improperly withheld or refused in which event interest will continue to accrue as provided in the Trust Deed.

## 4. Redemption and Purchase

(a) *Final redemption*

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for taxation reasons*

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that as a result of any change in, or amendment to, the laws, published practice or regulations of The Netherlands or the United Kingdom or any political subdivision of, or any authority in, or of, The Netherlands or the United Kingdom, as the case may be, having power to tax, or any change in the application or official or generally accepted interpretation of such laws or regulations, which change or amendment becomes effective after the date on which agreement is reached to issue the first Tranche of the Notes, on the occasion of the next payment due in respect of the Notes either the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself the Guarantor would be required to pay such additional amounts, the Issuer may at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Agent and the Noteholders in accordance with Condition 15 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time (if this Note is not a Floating Rate Note) or on the next Interest Payment Date (if this Note is a Floating Rate Note) at their Early Redemption Amount referred to in paragraph (g) below together, if applicable, with interest accrued to (but excluding) the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer or the Guarantor would be required to pay the additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by a duly authorised officer of the Issuer or, as the case may be, a duly authorised officer of the Guarantor stating that the requirement referred to above will apply on the occasion of the next payment due in respect of the Notes and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and Couponholders.

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### *(c) Redemption at the option of the Issuer*

If so specified in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), redeem all or some only (as specified in the applicable Final Terms) of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly. In the event of a redemption of some only of the Notes, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in the nominal amount at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Notes represented by Definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 15 not less than 30 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least 30 days prior to the Selection Date.

### *(d) Redemption at the option of the Noteholders*

If the Noteholders are specified in the applicable Final Terms as having an option to redeem, upon the holder of this Note (unless otherwise specified in the applicable Final Terms) giving to the Issuer, in accordance with Condition 15, not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer shall, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on any Optional Redemption Date and at the relevant Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver this Note, on any Business Day (as defined in Condition 3(b)(i)) falling within the notice period, to the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “**Put Notice**”) and in which the holder must specify a bank account (or, if payment is by cheque, and address) to which payment is to be made under this Condition.

### *(e) Purchases*

The Issuer, the Guarantor or any Subsidiary (as defined in the Trust Deed) of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Coupons appertaining thereto are surrendered therewith) in any manner and at any price.

### *(f) Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraphs (a), (b), (c), or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (g)(iii) below as though the references therein to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

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- (ii) the day after the date on which the full amount of moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders either in accordance with Condition 15 or individually.

### (g) *Early Redemption Amounts*

For the purposes of paragraph (b) above and Condition 9, the Notes will be redeemed at an amount (the “**Early Redemption Amount**”) determined or calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Final Terms, or, if no such amount or manner is so set out, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the “**Accrued Face Amount**”) equal to the sum of:
  - (A) the Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable,

or such other amount as is provided in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (I) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each and (II) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (III) on such other calculation basis as may be specified in the applicable Final Terms.

### (h) *Cancellation*

All Notes which are redeemed in full will forthwith be cancelled (together with, in the case of Definitive Notes, all unmatured and Coupons presented therewith, and accordingly may not be reissued or resold. Notes purchased by the Issuer, the Guarantor or any Subsidiary of the Issuer or Guarantor may be held, resold, re-issued or cancelled.

## 5. Payments

### (a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro or Renminbi will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, will be to a non-resident account) maintained by the payee with, or, at the option of the holder, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.
- (iii) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction

## Terms and Conditions of the Notes

required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to condition 8) any law implementing an intergovernmental approach thereto. References to “Specified Currency” will include any successor currency under applicable law.

### (b) *Presentation of Notes and Coupons*

Subject as provided below, payments in respect of principal and interest (if any) in respect of Definitive Notes (if issued) will be made against surrender (or, in the case of part payment only, endorsement) of the Definitive Notes or, as the case may be, Coupons, in each case, at any specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)). Payments in respect of principal and interest (if any) in respect of Swiss Franc Domestic Notes will be made only within Switzerland. If any Definitive Note is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable only on surrender of such Note.

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made on such Global Note, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by such Paying Agent or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor or either of them will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor or either of them to, or to the order of, the holder of the relevant Global Note (or the Trustee, as the case may be). No person other than the holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer or, as the case may be, the Guarantor or either of them in respect of any payments due on that Global Note.

Notwithstanding the foregoing, payments of interest in U.S. Dollars will be made at the specified office of any Paying Agent in the United States if (a) the Issuer and the Guarantor shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due, (b) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer or the Guarantor, adverse tax consequences for the Issuer or the Guarantor.

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupons as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of ten years after the relevant date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due.

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Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon any Floating Rate Note or Long Maturity Note in definitive form becoming due and repayable, all unmatured Coupons and Talons (if any) relating to such Note (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any interest-bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such interest-bearing Note from (and including) the last preceding due date for the payment of interest (or from (and including) the Interest Commencement Date, as the case may be) will be paid only against surrender of such interest-bearing Note.

### (c) *Payment Day*

If any date for payment of any amount in respect of any Note or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Final Terms), “**Payment Day**” means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation;
  - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), (2) in relation to any sum payable in euro, a day on which the TARGET2 System is operating, or (3) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

### (d) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of Notes; (iv) the Optional Redemption Amount(s) (if any) of the Notes; and
- (iv) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

### (e) *Renminbi account*

All payments in respect of any Note or Coupon in Renminbi will be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with

## Terms and Conditions of the Notes

applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

### (f) *Renminbi Currency Event*

If Renminbi Currency Event is specified in the applicable Final Terms and a Renminbi Currency Event, as determined by the relevant Issuer acting in good faith, exists on a date for payment of any principal or interest (in whole or in part) in respect of any Note or Coupon, the relevant Issuer's obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount (in whole or in part) in the Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents.

Upon the occurrence of a Renminbi Currency Event, the relevant Issuer shall give not less than three nor more than 30 Business Days' prior the due date for payment irrevocable notice to the Noteholders in accordance with Condition 15 stating the occurrence of the Renminbi Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and the definition of "Payment Day" in Condition 5(c) shall mean any day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) London and New York City.

For the purpose of this Condition and unless stated otherwise in the applicable Final Terms:

**"Determination Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

**"Determination Date"** means the day which is two Determination Business Days before the due date of the relevant payment under the Notes;

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

**"Local Time"** means the time of day in the jurisdiction in which the Calculation Agent, appointed in connection with that series of Notes, is located;

**"Relevant Currency"** means United States dollars or such other currency as may be specified in the applicable Final Terms;

**"Renminbi Currency Events"** means any one of Renminbi Illiquidity, Renminbi Non-Transferability and Renminbi Inconvertibility;

**"Renminbi Illiquidity"** means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the relevant Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes, as determined by the relevant Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in Hong Kong;

**"Renminbi Inconvertibility"** means the occurrence of any event that makes it impossible for the relevant Issuer to convert any amount due in respect of the Notes into Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the relevant Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the relevant Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Renminbi Non-Transferability"** means the occurrence of any event that makes it impossible for the relevant Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the Renminbi clearing and settlement system for participating

## Terms and Conditions of the Notes

banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the relevant Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the relevant Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

“**Spot Rate**” means, unless specified otherwise in the applicable Final Terms, the spot CNY/U.S.\$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Local Time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the Spot Rate at or around 11:00 a.m. (Local Time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(f) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the relevant Issuer, the Agents and all Renminbi Noteholders.

### 6. Exchange of Talons

On and after the Interest Payment Date or the Fixed Interest Date (as appropriate) on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date or the Fixed Interest Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

### 7. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are either set out below or in the applicable Final Terms. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. In the event of the appointed office of the Agent being unable or unwilling to continue to act as the Agent, or failing duly to determine the Rate of Interest (if applicable) or to calculate the Interest Amounts for any Interest Period, the Issuer and the Guarantor shall appoint the London office of such other bank as may be approved by the Trustee (such approval not to be unreasonably withheld or delayed) to act as such in its place as Agent. The Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid. The Issuer and the Guarantor may, with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed), vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts provided that the Issuer and the Guarantor will (i) so long as any of the Notes is outstanding, maintain a Paying Agent (which may be the Agent) having a specified office in a jurisdiction approved by the Trustee (such approval not to be unreasonably withheld or delayed) in continental Europe other than The Netherlands; and (ii) so long as any of the Notes are admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange and/or any other listing authority, stock exchange and/or quotation system, maintain a Paying Agent in London and/or in such other place as may be required by the rules of such other listing authority, stock exchange and/or quotation system; and (iii) save where it may from time to time be otherwise agreed with the Trustee that it is unduly onerous or inconsistent with current market practice at the relevant time to do so, ensure that they maintain a Paying Agent in a European Union



## Terms and Conditions of the Notes

Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to such Directive, save to the extent that such requirement is met by virtue of paragraph (i) above.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the fourth paragraph of Condition 5(b). Notice of any such variation, termination, appointment or change will be given by the Issuer to the Noteholders in accordance with Condition 15.

### 8. Taxation

All payments of principal and interest (if any) in respect of the Notes and Coupons will be made without withholding of or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands in the case of payments by Shell Finance and in the case of payments by Royal Dutch Shell the United Kingdom or The Netherlands or, in either case, any political sub-division thereof or by any authority therein or thereof having power to tax, unless the Issuer or, as the case may be, the Guarantor is compelled by law to withhold or deduct any such taxes, duties, assessments or governmental charges. In that event, such Issuer or, as the case may be, such Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders and/or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes and/or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with The Netherlands or the United Kingdom (as the case may be) otherwise than by reason only of his holding such Note or Coupon; or
- (ii) presented for payment by or on behalf of a holder who would not be liable or subject to such withholding or deduction if he were to comply with any statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive or law; or
- (iv) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (v) presented for payment more than 30 days after the relevant date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days assuming that day to have been a Payment Day.

For this purpose, the “**relevant date**” means whichever is the later of the date on which the moneys in respect of the Note or Coupon (as the case may be) first become due and payable and, if the full amount of the moneys payable on such date has not been received by the Agent or the Trustee on or prior to such date, the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 15.

### 9. Events of Default and Enforcement

- (a) The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), (but, in the case of the happening of any of the events mentioned in sub-paragraphs (ii) to (vii) inclusive below only if the Trustee shall have certified in writing that such event, is in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer and the Guarantor that the Notes are, and they shall accordingly

## Terms and Conditions of the Notes

thereby immediately become, due and repayable at their Early Redemption Amount (together, in respect of each Note, with interest accrued to the date upon which, the Early Redemption Amount of the Notes having been received by the Agent or the Trustee, payment is made in respect of such Note, or, if earlier, notice is duly given to the Noteholders in accordance with Condition 15) if any of the following events shall occur and be continuing:

- (i) default is made for more than 30 days in paying in the Specified Currency any principal of or any interest on any of the Notes when due; or
  - (ii) there is default in the performance of any other obligation of the Issuer or the Guarantor under the Notes or the Trust Deed in respect of the Notes which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 90 days after notice of such default shall have been given to the Issuer and the Guarantor by the Trustee; or
  - (iii) except for the purpose of a reconstruction or an amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders:
    - (a) an order is made by a court of competent jurisdiction in its country of incorporation of an administrator in relation to the Issuer or the Guarantor or an administration or similar order is made by a court of competent jurisdiction in its country of incorporation in relation to the Issuer or the Guarantor and any such order is not discharged or stayed within a period of 90 days or an effective resolution is passed for winding-up or dissolving the Issuer or the Guarantor; or
    - (b) the Issuer or the Guarantor ceases to carry on substantially the whole of its business or admits in writing it is unable to pay its debts as they fall due; or
  - (iv) an administrative or other receiver or similar officer is appointed of the whole or substantially the whole of the assets of the Issuer or the Guarantor and is not removed, paid out or discharged within 90 days or, following such 90 day period, the appointment is not being disputed in good faith; or
  - (v) if Shell Finance is the Issuer, the Issuer applies for *surseance van betaling* (within the meaning of *The Netherlands Bankruptcy Act (Faillissementswet)*); or
  - (vi) the Issuer or the Guarantor is adjudicated bankrupt or insolvent by a court of competent jurisdiction in its country of incorporation; or
  - (vii) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.
- (b) The Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding at least one quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## 10. Prescription

The Notes and Coupons (which for this purpose shall not include the Talons) will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of Notes) and five years (in the case of Coupons), in each case from the relevant date (as defined in Condition 8) in respect thereof, subject to the provisions of Condition 5. There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5 or any Talon which would be void pursuant to Condition 5.

## 11. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions (as completed by the applicable Final Terms or, in the case of Exempt Notes, as completed modified or replaced by

## Terms and Conditions of the Notes

the applicable Pricing Supplement), or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Terms and Conditions (as completed by the applicable Final Terms or, in the case of Exempt Notes, as completed modified or replaced by the applicable Pricing Supplement) and of the provisions of the Trust Deed the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding.

An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed or these Terms and Conditions as completed by the applicable Final Terms which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or which is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation shall be binding on the Noteholders and Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any particular sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trust Deed contains provisions for convening a single meeting of holders of notes (including the Notes) of more than one series in certain circumstances where the Trustee so decides.

### 12. Further Issues

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save in relation to the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes.

### 13. Replacement of Notes, Coupons and Talons

If a Note (including any Global Note), Coupon or Talon is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Agent on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before new ones will be issued.

### 14. Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from taking proceedings to enforce payment unless indemnified to its satisfaction.

### 15. Notices

All notices regarding the Notes will be valid if published in one leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*) or, if this is not possible, in one

## Terms and Conditions of the Notes

other leading English language daily newspaper with general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication or, if required to be published in more than one newspaper, on the date of the first such publication in all the required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Until such time as any Definitive Notes are issued, there may, so long as any Global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

### 16. Substitution

The Trustee may agree without the consent of the Noteholders or the Couponholders to (i) the substitution in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons (where the Issuer is Shell Finance) of any affiliate of the Issuer, the Guarantor, any Subsidiary of the Guarantor, any Holding Company (as defined in the Trust Deed) of the Guarantor, the Successor in Business (as defined in the Trust Deed) of the Guarantor, any Subsidiary of any such Holding Company or any Subsidiary of any such Successor in Business or (where the Issuer is Royal Dutch Shell) of any Subsidiary of the Issuer, any Holding Company of the Issuer, the Successor in Business of the Issuer, any Subsidiary of any such Holding Company or any Subsidiary of any such Successor in Business or (ii) the substitution in place of the Guarantor of a Successor in Business to the Guarantor or any Holding Company of the Guarantor, any such substitution as aforesaid being subject to the Trustee being of the opinion that such substitution is not materially prejudicial to the interests of the Noteholders and certain other requirements set out in the Trust Deed being complied with.

In addition, the Trustee shall agree without the consent of the Noteholders or the Couponholders, to any such substitution as described in the preceding paragraph subject to the satisfaction of the conditions set out in the Trust Deed for any such substitution including the provision of ratings confirmation.

### 17. Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of this Note or the Trust Deed but this does not affect any right or remedy of any person which exists or is available apart from that Act.

### 18. Governing Law and Jurisdiction

#### (a) *Governing Law:*

The Notes, the Coupons, the Talons, the Trust Deed (including the Guarantee) and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Coupons, the Talons, the Trust Deed (including the Guarantee) and the Agency Agreement shall be governed by, and construed in accordance with, English law.

#### (b) *Jurisdiction:*

Shell Finance has irrevocably agreed in the Trust Deed for the exclusive benefit of the Trustee, the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed or the Notes, Coupons or Talons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, Coupons or Talons and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection therewith may be brought in the courts of England.

## **Terms and Conditions of the Notes**

Shell Finance has in the Trust Deed irrevocably and unconditionally waived any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England and any claim that any such Proceedings have been brought in an inconvenient forum and any judgment obtained in the courts of England shall be conclusive and binding upon it and (save as provided below) may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition shall limit any right to take Proceedings in one or more jurisdictions nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not to the extent permitted by law save that this Condition does not extend to the taking of Proceedings in any Federal, State or other courts in the United States of America or any State or territory thereof and the Trustee has undertaken in the Trust Deed not to take any Proceedings in any such courts and neither the Trustee nor any Noteholder or Couponholder shall have any right to do so.

Shell Finance has in the Trust Deed appointed Shell International Limited (Attention: Company Secretary) at Shell Centre, London SE1 7NA (or at its registered office for the time being in England) as its agent for service of process in England in respect of any Proceedings in England and has undertaken that in the event of it ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

## Use of Proceeds

The net proceeds of each issue of Notes will be used for the general purposes of the Shell Group and/or for such specific purposes as may be determined from time to time.

# Form of Final Terms

Final Terms dated [ ]

**[Shell International Finance B.V., with corporate seat in The Hague  
Royal Dutch Shell plc]**

[Guaranteed by

**Royal Dutch Shell plc]**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under a U.S.\$25,000,000,000 Debt Securities Programme (the “**Programme**”)

## **PART A — CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 15 August 2013 [and the supplement[s] to it dated [●] [and [●]]] which together constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Information Memorandum**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum. The Information Memorandum has been published on [●] website.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Information Memorandum dated 15 August 2013 which are incorporated by reference in the Information Memorandum dated [●] and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum dated [●] [and the supplement[s] to it dated [●] [and [●]]] which constitutes a base prospectus for the purposes of the Prospectus Directive (the **Information Memorandum**). Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum dated [●]. The Information Memorandum has been published on [●] website.]

### **Principal Operational Information**

1. (a) Issuer: [Shell International Finance B.V./Royal Dutch Shell plc]
- (b) [Guarantor: Royal Dutch Shell/Not Applicable]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [ ]][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ]
  - (a) Series: [ ]
  - (b) Tranche: [ ]

## Form of Final Terms

5. Issue Date: [ ]
6. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [ ]]
7. Form of Notes: [Temporary Global Note exchangeable for Permanent Global Note and further exchangeable into Definitive Notes at the request of the Issuer and [if requested by the bearer on not less than 60 days’ notice/only in the limited circumstances set out therein]]  
[Temporary Global Note exchangeable for Definitive Notes [on [ ] days’ notice]]  
[Permanent Global Note exchangeable for Definitive Notes at the request of the Issuer and [if requested by the bearer on not less than 60 days’ notice/only in the limited circumstances set out therein]]
8. New Global Note: [Yes] [No]
9. Specified Denomination(s): [ ]
10. Calculation Amount: [ ]
11. Interest/Payment Basis: [Fixed Rate/Floating Rate/Zero Coupon (further particulars specified below)]
12. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made][No]

## Issue of Notes

13. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ] (if applicable)]
14. Interest Commencement Date: [Issue Date][ ][Not Applicable]

## Provisions Relating to Interest (if any) Payable

15. Effective yield: [ ]
16. Fixed Rate Note Provisions [Applicable][Not Applicable]
- (a) Fixed Rate of Interest: [ ] per cent. per annum
- (b) Fixed Interest Date(s): [[ ] in each year up to and including the Maturity Date]
- (c) Fixed Amount: [ ] per Calculation Amount
- (d) [Initial Broken Amount:]: [[ ] per Calculation Amount payable on the Interest Payment Date falling [on/in][ ]][Not Applicable]
- (e) [Final Broken Amount:]: [[ ] per Calculation Amount payable on the Interest Payment Date falling [on/in][ ]][Not Applicable]
- (f) Fixed Day Count Fraction: [Actual/Actual (ICMA)] [30/360] [Actual/365 (Fixed)]  
[If Actual/Actual (ICMA) include Determination Date(s) in each year: [ ]]



## Form of Final Terms

17. Floating Rate Note Provisions [Applicable][Not Applicable]
- (a) Specified Period(s) or specified Interest Payment Date(s): [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other]
- (c) Additional Business Centre(s): [ ][Not Applicable]
- (d) Manner in which the Rate of Interest is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Relevant Screen Page (*Screen Rate Determination*): [ ][Not Applicable]
- (f) Reference Rate (*Screen Rate Determination*): [ ] month [EURIBOR/LIBOR/LIBID/LIMEAN] [Not Applicable]
- (g) Interest Determination Date(s) (*Screen Rate Determination*): [ ][Not Applicable]
- (h) Margin(s): [[+/-][ ] per cent. per annum][Not Applicable]
- (i) Floating Rate Option (*ISDA Determination*): [ ][Not Applicable]
- (j) Designated Maturity (*ISDA Determination*): [ ][Not Applicable]
- (k) Reset Date (*ISDA Determination*): [ ][Not Applicable]
- (l) Minimum Interest Rate: [ ] per cent. per annum
- (m) Maximum Interest Rate: [ ] per cent. per annum
- (n) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [30/360][360/360][Bond Basis] [30E/360 (ISDA)]
- (o) Calculation Agent responsible for determining interest rate(s) and calculating the interest due, if not the Agent: [ ][Not Applicable]
18. Zero Coupon Notes [Applicable][Not Applicable]
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ] per cent. per annum
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365]

## Provisions Relating to Redemption

19. Issuer call option: [Applicable][Not Applicable]
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount

**Form of Final Terms**

- (c) If redeemable in part: [ ]
  - (i) Minimum Redemption Amount:
  - (ii) Higher Redemption Amount: [ ]
- (d) Notice Periods: For the purposes of Condition 4[(b)/(c)], the following notice period[s] apply:
  - Minimum period: [ ] days
  - Maximum period: [ ] days

**Put Option**

- 20. Noteholders' put option: [Applicable][Not Applicable]
  - (a) Optional Redemption Date(s): [ ]
  - (b) Notice periods
    - Minimum period: [ ] days
    - Maximum period: [ ] days
  - (c) Optional Redemption Amount: [ ] per Calculation Amount

**Final Redemption Amount**

- 21. Final Redemption Amount: [ ] per Calculation Amount

**Early Redemption Amount**

- 22. Early Redemption Amount payable on redemption for taxation reasons or on an Event of Default: [ ] per Calculation Amount

**Provisions Regarding Payments**

- 23. [Definition of "Payment Day" if different to that set out in Condition 5(c): [ ]]

**General Provisions Applicable to the Notes**

- 24. Additional Financial Centre(s): [ ][Not Applicable]
- 25. Renminbi Currency Event: [Applicable][Not Applicable]

**THIRD PARTY INFORMATION**

[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of Royal Dutch Shell plc

By: .....

*(Duly authorised)*

[Signed on behalf of Shell International Finance B.V.

By: .....

*(Duly authorised)*

## Form of Final Terms

### PART B — OTHER INFORMATION

#### Listing

1. Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's regulated market and for the Official List of the UK Listing Authority] with effect from [ ].]
2. Estimate of total expenses related to admission to trading: [ ]

#### Ratings

3. Ratings: [The Notes to be issued have not been rated.][The Notes to be issued [[have been]/[are expected to be]] rated:  
[[ ] by Moody's]  
[[ ] by S&P]]

#### Interests of Natural and Legal Persons Involved in the Issue

4. [Save for any fees payable to the [Dealer/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

#### Yield (Fixed Rate Notes only)

5. Indication of yield: [ ]  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

#### Operational Information

6. (a) ISIN Code: [ ]  
(b) Common Code: [ ]  
(c) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/[ ]]  
(d) Delivery: Delivery [against/free of] payment  
(e) Names and addresses of additional Paying Agent(s) (if any): [ ]  
(f) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]  
(g) Trustee: Citicorp Trustee Company Limited  
(h) Agent: [Citibank, N.A., London Branch Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB]/[other]  
(i) Paying Agent: [Banque Internationale à Luxembourg S.A. 69 route d'Esch L-2953 Luxembourg]/[other]

#### 7. Distribution

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- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/*give names*]
- (c) If non-syndicated, name of Dealer: [ ]
- (d) Applicable TEFRA rules: [D Rules][C Rules][Not Applicable]
- (e) Certificate of Non-U.S. Beneficial Ownership: [Yes/No]

## Form of Pricing Supplement

### EXEMPT NOTES OF ANY DENOMINATION

*[Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.]*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW. THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.**

Dated [ ]

**[Shell International Finance B.V., with corporate seat in The Hague  
Royal Dutch Shell plc]**

[Guaranteed by

**Royal Dutch Shell plc]**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under a U.S.\$25,000,000,000 Debt Securities Programme (the “**Programme**”)

### PART A — CONTRACTUAL TERMS

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Information Memorandum dated [date] [as supplemented by the supplement[s] dated [date[s]]] (the “**Information Memorandum**”). Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum. Copies of the Information Memorandum may be obtained from [address].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Information Memorandum [dated [original date] which are incorporated by reference in the Information Memorandum].

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]*

### Principal Operational Information

- |  |  |
|--|--|
| 1. (a) Issuer:   | [Shell International Finance B.V./Royal Dutch Shell plc]   |
| (b) Guarantor:   | [Royal Dutch Shell/Not Applicable]   |
| 2. (a) Series Number:  | [ ]  |
| (b) Tranche Number:  | [ ]  |
| (c) Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [date]][Not Applicable] |
| 3. Specified Currency  | [ ]  |

**Royal Dutch Shell plc and Shell International Finance B.V.**

4. Aggregate Nominal Amount:
- (a) Series:
- (b) Tranche:
5. Issue Date:
6. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to *[specify month and year]*]
7. Form of Notes: [Temporary Global Note exchangeable for Permanent Global Note and further exchangeable into Definitive Notes at the request of the Issuer and [if requested by the bearer on not less than 60 days’ notice/only in the limited circumstances set out therein]
- [The Notes will be represented by a Permanent Global Note. The Notes, Coupons and Talons and all rights in connection therewith are documented solely in the form of the Permanent Global Note.]
- [The Permanent Global Note will be exchangeable for Definitive Notes in whole but not in part, but only at the option and sole discretion of the Swiss Principal Paying Agent; holders of the Notes have no right to request the delivery of Definitive Notes.]
8. New Global Note: [Yes] [No]
9. Specified Denomination(s):
- (N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*
- (N.B. Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*
- “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.”)*
10. Calculation Amount:   *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
11. Interest/Payment Basis: [Fixed Rate/Floating Rate/Zero Coupon (further particulars specified below)]
12. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made /No]

## Royal Dutch Shell plc and Shell International Finance B.V.

### Issue of Notes

13. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]

14. Interest Commencement Date: [Issue Date][*specify*][Not Applicable]

### Provisions Relating to Interest (if any) Payable

15. Effective yield: [ ] (only applicable if Notes are to be listed on the Official Segment of the Stock Market of NYSE Euronext in Amsterdam)

16. Fixed Rate Notes [Applicable][Not Applicable]

(a) Fixed Rate of Interest: [ ] per cent. per annum

(b) Fixed Interest Date(s): [[ ] in each year up to and including the Maturity Date]

(c) Fixed Amount: (Applicable to Notes in definitive form) [ ] per Calculation Amount

(d) [Initial Broken Amount: (*Applicable to Notes in definitive form*)] [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]

(e) [Final Broken Amount: (*Applicable to Notes in definitive form*)] [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]

(f) Fixed Day Count Fraction: [Actual/Actual (ICMA)] [30/360] [Actual/365 (Fixed)]

[If Actual/Actual (ICMA) include Determination Date(s) in each year: [ ]]

*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in case of a long or short first or last coupon)*

17. Floating Rate Notes [Applicable][Not Applicable]

(a) Specified Period(s) or specified Interest Payment Date(s): [*Specify either a period where Floating Rate Convention is used or specific date(s) where any other Business Day Convention is used*]

(b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

(c) Additional Business Centre(s): [ ] [Not Applicable]

(d) Manner in which the Rate of Interest is to be determined: [Screen Rate Determination/ISDA Determination]

(e) Relevant Screen Page (*Screen Rate Determination*): [ ] [Not Applicable]

(f) Reference Rate (Screen Rate Determination): [ ] month [EURIBOR/LIBOR/LIBID/LIMEAN] [Not Applicable] (*Either EURIBOR, LIBOR, LIBID, LIMEAN or other,*

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*although additional information is required if other, including fall back provisions in the Agency Agreement)*

- (g) Interest Determination Date(s) (*Screen Rate Determination*):  [Not Applicable]
- (h) Margin(s):  [+/-][ ] per cent. per annum][Not Applicable]
- (i) Floating Rate Option (*ISDA Determination*):  [Not Applicable]
- (j) Designated Maturity (*ISDA Determination*):  [Not Applicable]
- (k) Reset Date (*ISDA Determination*):  [Not Applicable]
- (l) Minimum Interest Rate:  per cent. per annum
- (m) Maximum Interest Rate:  per cent. per annum
- (n) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
[Actual/365 (Fixed)]  
[30/360][360/360][Bond Basis]  
[30E/360 (ISDA)]
- (o) Calculation Agent responsible for determining interest rate(s) and calculating the interest due, if not the Agent:  [Not Applicable]
18. Zero Coupon Notes  [Applicable][Not Applicable]
- (a) Accrual Yield:  per cent. per annum
- (b) Reference Price:  per cent. per annum
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

**Provisions Relating to Redemption**

19. Issuer call option:  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s):  [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s):  [ ] per Calculation Amount
- (c) If redeemable in part:  [ ]
- (i) Minimum Redemption Amount:  [ ]
- (ii) Higher Redemption Amount:  [ ]
- (d) Notice Periods: For the purposes of Condition 4[(b)/(c)], the following notice period[s] apply:  
Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and*



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*custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent [or Trustee])*

**Put Option**

20. Noteholders' put option: [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): [ ]

(b) Notice periods Minimum period: [ ] days

Maximum period: [ ] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of [15] clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent [or Trustee])*

(c) Optional Redemption Amount: [ ] per Calculation Amount

**Final Redemption Amount**

21. Final Redemption Amount: [ ] per Calculation Amount

**Early Redemption Amount**

22. Early Redemption Amount payable on redemption for taxation reasons or on an Event of Default: [ ] per Calculation Amount

**Provisions Regarding Payments**

23. [Definition of "Payment Day" if different to that set out in Condition 5(c): *[give details]*]

**General Provisions Applicable to the Notes**

24. Additional Financial Centre(s): *[give details]*[Not Applicable]

*(Note that this item relates to the place of payment and not Interest Period end dates to which item 17(c) relates)*

25. Renminbi Currency Event: [Applicable][Not Applicable]

**THIRD PARTY INFORMATION**

[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of Royal Dutch Shell plc

By: .....

*(Duly authorised)*

**Royal Dutch Shell plc and Shell International Finance B.V.**

[Signed on behalf of Shell International Finance B.V.]

By: .....

*(Duly authorised)*

## PART B — OTHER INFORMATION

### Listing

1. Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [ ].] [Not Applicable.]
- [For Swiss Franc Domestic Notes, insert the following:
- The Notes will be [unlisted/listed solely on the SWX Swiss Exchange.]]
2. Estimate of total expenses related to admission to trading: [ ]

### Ratings

3. Ratings: [The Notes to be issued have not been rated.][The Notes to be issued [[have been]/[are expected to be]] rated:
- [[ ] by Moody's]
- [[ ] by S&P]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### Interests of Natural and Legal Persons Involved in the Issue

4. [Save for any fees payable to the [Dealer/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. — Amend as appropriate if there are other interests]

### Yield (Fixed Rate Notes only)

5. Indication of yield: [ ]
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### Operational Information

6. (a) ISIN Code: [ ]
- (b) Common Code: [ ]
- (c) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (d) Delivery: Delivery [against/free of] payment
- (e) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (f) Deemed delivery of clearing system notices for the purposes of Condition 15: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which

**Royal Dutch Shell plc and Shell International Finance B.V.**

it was given to Euroclear and Clearstream, Luxembourg.

- (g) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon ECB being satisfied that the Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- (h) Trustee: Citicorp Trustee Company Limited
- (i) Agent: [Citibank, N.A., London Branch Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB]/[other]
- (j) Paying Agent: [Banque Internationale à Luxembourg S.A. 69 route d’Esch L-2953 Luxembourg]/[other]
- (k) [Swiss Paying Agents: Swiss Principal Paying Agent: [ ] shall act as Swiss Principal Paying Agent (the “**Swiss Principal Paying Agent**”). All references in the Conditions to the Agent shall, where applicable, for the purposes of the Swiss Franc Domestic Notes only, be construed as references to the Swiss Principal Paying Agent. The Issuer will[, so long as Swiss Franc Domestic Notes are outstanding,] maintain a principal paying agent for the Notes having a specified office in Switzerland.
- Swiss Paying Agents: [ ] (together with the Swiss Principal Paying Agent, the “**Swiss Paying Agents**”). All references in the Conditions to the Agents shall, where applicable, for the purposes of the Swiss Franc Domestic Notes only, be construed as references to the Swiss Paying Agents and will at no time include a paying agent having a specified office outside Switzerland, unless permitted by applicable law.]\*\*

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\*\* Complete for Swiss Franc Domestic Notes.

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- (l) [Dutch Paying Agent: *[Insert details]* ]\*\*\*
7. Distribution
- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/give names]
- (c) If non-syndicated, name of Dealer: [ ]
- (d) Applicable TEFRA rules: [D Rules]/[C Rules]/[Not Applicable (only if Tranche has a maturity of one year or under)]
- (e) Certificate of Non-U.S. Beneficial Ownership: [Yes/No] (not applicable for issues in respect of which the C Rules are stated above to apply, issues with a maturity of one year or under)

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\*\*\* *For use if Notes are to be listed on NYSE Euronext in Amsterdam.*

## **Royal Dutch Shell plc and Shell International Finance B.V.**

### **History and development of Royal Dutch Shell**

Royal Dutch Shell became the single parent company of N.V. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company) (“**Royal Dutch**”) and The “Shell” Transport and Trading Company p.l.c. (“**Shell Transport**”) as a result of the unification transaction described below. Since 1907, Royal Dutch and Shell Transport have been the parent companies of a group of companies known collectively as the “**Royal Dutch/Shell Group**” (now known as Shell or the Shell Group). The companies of the Shell Group are engaged worldwide in all the principal aspects of the oil and natural gas industry.

In July 2005 Royal Dutch Shell became the parent company of Royal Dutch and Shell Transport upon the consummation of (i) an exchange offer under Dutch law by Royal Dutch Shell for the outstanding shares of Royal Dutch and (ii) a scheme of arrangement under English law involving Shell Transport and its shareholders. After the unification, a series of restructuring transactions of the Group occurred in December 2005, which included the contribution of Shell Transport to Royal Dutch and the merger under Dutch law of Royal Dutch with its wholly-owned subsidiary, Shell Petroleum N.V. (“**Shell Petroleum**”). As a result of the merger, Royal Dutch and the Royal Dutch shares ceased to exist and Shell Petroleum, the surviving company in the merger, became a 100 per cent. owned subsidiary of Royal Dutch Shell and Shell Transport a 100 per cent. subsidiary of Shell Petroleum.

Royal Dutch Shell was incorporated in England and Wales under the Companies Act on 5 February 2002 as a private company limited by shares. On 27 October 2004 it re-registered as a public company limited by shares and changed its name to Royal Dutch Shell plc.

The primary object of Royal Dutch Shell is to carry on the business of a holding company. It has not traded since incorporation. Royal Dutch Shell does not have an objects clause in its Articles of Association and so, pursuant to section 31(1) of the Companies Act 2006, its objects are unrestricted.

Royal Dutch Shell is registered at Companies House, Cardiff, with company number 04366849 and in the commercial register of the Chamber of Commerce, The Hague under number 34179503. Its registered office is at Shell Centre, London SE1 7NA, United Kingdom and its headquarters are at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111. Royal Dutch Shell is considered a resident of The Netherlands for Dutch and UK tax purposes.

### **History and development of Shell Finance**

Shell Finance was incorporated as a private company with limited liability under the laws of The Netherlands on 5 March 2004 with the name Shell Project Development (VII) B.V. Shell Finance has its corporate seat in The Hague, The Netherlands and is registered in The Hague with trade register number 27265903. The registered office of Shell Finance is Carel van Bylandtlaan 30, 2596 HR The Hague, tel.: +31 (0) 70 377 9111.

Shell Finance was renamed Shell International Finance B.V. and became a 100 per cent. owned subsidiary of Royal Dutch Shell on 20 July 2005. Shell Finance is a financing vehicle for Royal Dutch Shell and its consolidated subsidiaries. Shell Finance has no independent operations, other than raising debt for use by the Shell Group, hedging such debt when appropriate and on-lending funds raised to companies in the Shell Group. Shell Finance will lend substantially all proceeds of its borrowings to companies in the Shell Group and is therefore dependent on such companies repaying funds lent to them. The corporate object of Shell Finance is set out in Article 2 of its Articles of Association and is to obtain financial resources by securing public or private loans or by any other means and making such financial resources available in whatever form in particular to other Shell Group companies (which includes the granting of security rights).

### **History and development of the Shell Group**

The history of the companies that make up the Shell Group goes back more than a century. Royal Dutch was registered in 1890, with its main interests being the development of the oil fields of Sumatra. Shell Transport

## **Royal Dutch Shell plc and Shell International Finance B.V.**

was formally established in 1897, having begun as a company selling seashells before diversifying into shipping oil.

Subsequently, the Royal Dutch/Shell Group grew out of a scheme of amalgamation between Royal Dutch and Shell Transport dated 12 September 1906 and agreements from 1907 by which the scheme of amalgamation was implemented and pursuant to which they combined their interests in the oil industry through the transfer of all the significant operating assets of each of Royal Dutch and Shell Transport to companies owned 60 per cent. by Royal Dutch and 40 per cent. by Shell Transport.

The Royal Dutch/Shell Group's energy and petrochemical operations then expanded rapidly with acquisitions in Europe, Africa and the Americas and the establishment of its chemicals business in 1929. By the middle of the twentieth century, the Royal Dutch/Shell Group had become one of the world's leading suppliers of oil products. The Royal Dutch/Shell Group was also developing interests in natural gas, which was emerging as a new alternative source of energy. This was followed by the major oil and gas discoveries in the North Sea in the 1970s, continued growth in gas consumption and the first shipments of liquefied natural gas.

The Shell Group has continued to grow and employed about 87,000 people in 2012 with operations in more than 70 countries and territories around the world providing a wide range of energy and petrochemical products. Whilst best known to the public for its service stations and for exploring and producing oil and gas on land and at sea, the Shell Group's activities include transporting and trading oil and gas, marketing natural gas, producing and selling fuel for ships and planes, generating electricity and providing energy efficiency advice. The Shell Group also produces and sells petrochemical building blocks to industrial consumers globally and is investing in making renewable and lower-carbon energy sources competitive for large-scale use.

### **Business overview of the Shell Group**

#### **Activities and major interests**

Shell is one of the world's largest independent oil and gas companies in terms of market capitalisation, operating cash flow and oil and gas production. Shell aims to sustain its strong operational performance and continue its investments primarily in countries that have the necessary infrastructure, expertise and remaining growth potential. Such countries include: Australia; Brazil; Brunei; Canada; Denmark; Germany; Malaysia; the Netherlands; Nigeria; Norway; Oman; the PRC; Qatar; Russia; the UK and the USA.

Shell is bringing new oil and gas supplies on-stream from major field developments. Shell is also investing in growing its gas-based business through liquefied natural gas ("LNG") and gas to liquids ("GTL") projects. For example, Shell Pearl GTL plant completed its ramp-up at the end of 2012. In Downstream, Shell seeks innovative ways to market LNG, for example through the use of LNG in the transport sector.

At the same time, Shell is exploring for oil and gas in prolific geological formations that can be conventionally developed, such as those found in Australia, Brazil and the Gulf of Mexico. But Shell is also exploring for hydrocarbons in formations, such as low-permeability gas reservoirs in the USA, Australia, Canada and the PRC, which can be developed by fracturing techniques.

Shell also has a focused portfolio of refineries and chemicals plants. Shell is a leading biofuel producer and fuel retailer in Brazil, through its Raízen joint venture. Shell has a strong retail position not only in the major industrialised countries but also in the developing ones. The distinctive Shell pecten (a trademark in use since the early part of the twentieth century) and trademarks in which the word Shell appears support this marketing effort throughout the world. A strong patent portfolio underlies the technology that Shell employs in its various businesses. In total, Shell currently has more than 14,000 granted patents and pending patent applications.

#### **Description of activities and principal markets**

Set out below is a summary description of the activities and principal markets of the businesses of the Shell Group.

**Upstream International** manages the Upstream businesses outside the Americas. It explores for and recovers crude oil, natural gas and natural gas liquids, liquefies and transports gas, and operates the upstream and midstream infrastructure necessary to deliver oil and gas to market. Upstream International also manages Shell's

## **Royal Dutch Shell plc and Shell International Finance B.V.**

LNG and GTL businesses. Since January 2013, it manages its operations primarily by line of business, with this structure overlaying individual country organisations. This organisation is supported by activities such as Exploration and New Business Development. Previously activities were organised primarily by geographical location.

**Upstream Americas** manages the Upstream businesses in North and South America. It explores for and recovers crude oil, natural gas and natural gas liquids, transports gas and operates the upstream and midstream infrastructure necessary to deliver oil and gas to market. Upstream Americas also extracts bitumen from oil sands that is converted into synthetic crude oil. Additionally, it manages the US-based wind business. It manages its operations by line of business, supported by activities such as Exploration and New Business Development. References to the Group's "Upstream" business in this Information Memorandum are to Upstream International and Upstream Americas.

**Downstream** manages Shell's refining and marketing activities for oil products and chemicals. These activities are organised into globally managed classes of business, although some are managed regionally or provided through support units. Refining includes manufacturing, supply and shipping of crude oil. Marketing sells a range of products including fuels, lubricants, bitumen and liquefied petroleum gas (LPG) for home, transport and industrial use. Chemicals produces and markets petrochemicals for industrial customers, including the raw materials for plastics, coatings and detergents. Downstream also trades Shell's flow of hydrocarbons and other energy-related products, supplies the Downstream businesses, governs the marketing and trading of gas and power, and provides shipping services. Additionally, Downstream oversees Shell's interests in alternative energy (including biofuels but excluding wind) and CO<sub>2</sub> management.

**Projects & Technology** manages the delivery of Shell's major projects and drives the research and innovation to create technology solutions. It provides technical services and technology capability covering both Upstream and Downstream activities. It is also responsible for providing functional leadership across Shell in the areas of safety and environment, and contracting and procurement.

Corporate is a non-operating segment representing the functional activities supporting the Shell Group.

### **Principal subsidiaries**

In 2005, Royal Dutch Shell became the single 100 per cent. parent company of Royal Dutch Petroleum Company and of Shell Transport and Trading Company plc, the two former public company parent companies of the Shell Group. After the unification, a series of restructuring transactions of the Group occurred in December 2005, which included the contribution of Shell Transport to Royal Dutch and the merger under Dutch law of Royal Dutch with its wholly owned subsidiary, Shell Petroleum. As a result of the merger, Royal Dutch and the Royal Dutch shares ceased to exist and Shell Petroleum, the surviving company in the merger, became a 100 per cent. owned subsidiary of Royal Dutch Shell and Shell Transport a 100 per cent. subsidiary of Shell Petroleum.

Royal Dutch Shell is organised as a holding company and substantially all of its operations are carried on through subsidiaries of Royal Dutch Shell. Royal Dutch Shell's ability to meet its financial obligations is dependent on the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances and other payments.

### **Principal investments**

We are planning a net capital investment of some \$40 billion in 2013 – an increase from 2012 levels – as Shell invests for long-term growth.

This amount relates largely to investments in some 17 new projects for which final investment decisions were taken in 2010-2011. They are part of a portfolio of more than 60 new growth projects that are under construction or being assessed for future investment. This figure also includes the impact of the agreement to acquire part of Repsol's LNG portfolio, as announced in February 2013, subject to regulatory approvals and other conditions precedent.



## **Royal Dutch Shell plc and Shell International Finance B.V.**

Going forward, annual spending will be driven by the timing of investment decisions and the near-term macroeconomic outlook.

We expect more than 80 per cent. of our capital investment in 2013 to be in our Upstream businesses.

### **Reporting of reserves**

Reserves reported are based on the SEC rules. The SEC rules are consistent with the technical standards of The Petroleum Resources Management System jointly published by the Society of Petroleum Engineers and the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers and the Petroleum Society of the Canadian Institute of Mining, Metallurgy & Petroleum (“**COGE Handbook**”).

### **Selected Financial Data**

The selected financial data set out below in respect of the Shell Group is derived, in part, from the Consolidated Financial Statements of the Shell Group for the financial year ended 31 December 2012 (the “**Consolidated Financial Statements**”) and the Second Quarter 2013 Unaudited Condensed Interim Financial Report of Royal Dutch Shell filed on Form 6-K on 1 August 2013 (the “**Q2 Report**”). The selected data should be read in conjunction with the Consolidated Financial Statements and related Notes, the Q2 Report as well as the Business Review in the Annual Report on Form 20-F of Royal Dutch Shell for the year ended 31 December 2012, incorporated by reference herein.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Revised IAS 19 Employee Benefits was adopted on 1 January, 2013, with retrospective effect; comparative information is therefore restated.

Royal Dutch Shell plc and Shell International Finance B.V.

	Six months ended		12 months ended	
	June 30,		December 31,	
	2013	2012	2012	2011
<b>Consolidated Statement of Income (U.S.\$ million)</b>				
Revenue	225,479	236,988	467,153	470,171
Income for the period	9,967	12,940	26,960	31,093
Income attributable to non-controlling interest	54	120	248	267
Income attributable to shareholders of Royal Dutch Shell	<u>9,913</u>	<u>12,820</u>	<u>26,712</u>	<u>30,826</u>
<b>Earnings per share (U.S.\$)</b>				
Basic earnings per share	1.57	2.06	4.27	4.97
Diluted earnings per share	<u>1.57</u>	<u>2.06</u>	<u>4.26</u>	<u>4.96</u>
<b>Consolidated Balance Sheet (U.S.\$ million)</b>				
Total assets	345,508	356,994	350,294	337,474
Share capital	540	538	542	536
Equity attributable to shareholders of Royal Dutch Shell	176,867	179,806	174,749	158,480
Non-controlling interest	<u>1,354</u>	<u>1,433</u>	<u>1,433</u>	<u>1,486</u>
<b>Net capital investment (U.S.\$ million)</b>				
Capital expenditure:				
Upstream	14,578	11,592	27,930	20,681
Downstream	2,194	1,774	4,433	5,479
Corporate	77	123	213	141
Exploration expenses excluding exploration wells written off	1,124	905	2,114	1,462
Leases and other adjustments	1,406	(1,300)	(957)	1,402
New equity in equity accounted-investments	173	1,576	2,410	1,466
New loans to equity accounted-investments	<u>490</u>	<u>446</u>	<u>618</u>	<u>420</u>
Total capital investment	<u>20,042</u>	<u>15,116</u>	<u>36,761</u>	<u>31,051</u>
<b>Proceeds from divestments:</b>				
Upstream	604	3,594	5,859	4,280
Downstream	294	666	1,179	3,206
Corporate	<u>9</u>	<u>(16)</u>	<u>(80)</u>	<u>62</u>
Total	<u>907</u>	<u>4,244</u>	<u>6,958</u>	<u>7,548</u>
<b>Total net capital investment</b>	<b>19,135</b>	<b>10,872</b>	<b>29,803</b>	<b>23,503</b>
comprising				
Upstream	16,919	9,065	25,320	19,083
Downstream	2,148	1,753	4,275	4,342
Corporate	<u>68</u>	<u>54</u>	<u>208</u>	<u>78</u>

**Royal Dutch Shell plc and Shell International Finance B.V.**

	Six months ended June 30,		12 months ended December 31,	
	2013	2012	2012	2011
<b>Other consolidated data (U.S.\$ million)</b>				
Net cash from operating activities	24,003	26,744	46,140	36,771
Capital expenditure	16,849	13,489	32,576	26,301
Net cash used in investing activities	16,814	11,174	28,453	20,443
Dividends paid (excluding scrip dividend)	4,031	3,885	7,682	7,315
Net cash used in financing activities	12,885	9,419	10,630	18,131
Increase/(decrease) in cash and cash equivalents	<u>(6,010)</u>	<u>5,990</u>	<u>7,258</u>	<u>(2,152)</u>
<b>Earnings by business segment (U.S.\$ million)</b>				
Upstream	7,502	11,431	22,244	24,466
Downstream	2,491	2,680	5,382	4,170
Corporate	418	(300)	(203)	102
Gearing ratio (%)*	10.3%	8.6%	9.8%	13.9%
Dividends declared - U.S.\$/share	0.45	0.43	1.72	1.68

\* Net debt as percentage of total capital (i.e. total equity plus net debt).

The selected financial data set out below in respect of Shell Finance is derived without material adjustment from the audited financial statements of Shell Finance in respect of the year ended 31 December 2012. The selected financial data should be read in conjunction with Shell Finance's audited financial statements and related Notes, incorporated by reference herein. The audited financial statements of Shell Finance have been prepared in accordance with generally accepted accounting principles in the Netherlands.

	2012	2011
<b>Income Data</b>	<b>U.S.S 000</b>	<b>U.S.S 000</b>
Interest income	1,222,454	1,569,859
Interest expense and similar expenses	(1,227,154)	(1,567,990)
Taxation	1,600	2052
Net Income	(3,100)	(183)
<b>Balance Sheet Data</b>		
Current Assets and Non-current Assets	30,370,796	29,711,135
Current Liabilities	5,722,816	4,249,671
Long Term Debt	24,122,534	24,985,059
Capital Employed	7,574	10,674

*Notes*

*Shell Finance did not have any activities until it became a 100 per cent. subsidiary of Royal Dutch Shell as at 20 July 2005. As at 30 June 2013, Shell Finance had total debt of U.S.\$23,999,387,338.37, of which U.S.\$21,500,416,690.10 was long term debt.*

**Trend information**

Save as disclosed under the sections entitled "Risks related to Shell's businesses" under "Risk Factors" above and "Recent Developments" below on pages 12-22 and 65-68, respectively, the Shell Group is not aware of any other trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Obligors' prospects in the context of the issue of any Notes for the current financial year.

## Royal Dutch Shell plc and Shell International Finance B.V.

### Share capital

The issued and fully paid up share capital of Royal Dutch Shell as at 30 June 2013 was:

	<b>Issued (number)</b>	<b>Issued (amount)</b>
Class A ordinary shares of €0.07 each	3,821,611,712	€267,512,820
Class B ordinary shares of €0.07 each	2,545,468,171	€178,182,772
Sterling deferred shares of £1 each	50,000	£50,000

Any future issue of additional “B” Shares will only be made after prior consultation with the Dutch Revenue Service.

Shell Finance has an authorised share capital consisting of 10,000 ordinary registered shares of €1,000 each of which 2,000 have been issued and paid up.

### Board of Directors

The Directors of Royal Dutch Shell and their function, their respective business addresses and other principal activities are:

<b>Name</b>	<b>Business Address</b>	<b>Function</b>	<b>Other principal activities</b>
Jorma Ollila	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chairman and Chairman of the Nomination and Succession Committee	—
Hans Wijers	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Deputy Chairman, Senior Independent Non- executive director and Chairman of the Remuneration Committee <sup>(3)</sup>	Member of the European Roundtable of Industrialists  Non-executive Chairman of GlaxoSmithKline plc
Peter Voser	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chief Executive Officer	Director of Catalyst Director of Roche Holdings Limited
Simon Henry	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chief Financial Officer	—
Josef Ackermann	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director <sup>(1)(3)</sup>	Member of the supervisory board of Siemens AG  Chairman of Zurich Insurance Group Limited and of Zurich Insurance Company Limited  Director of Investor AB

\*

In June 2010, the Financial Reporting Council issued an update to the Combined Code, namely the UK Corporate Governance Code, which applies to accounting periods beginning on or after 29 June 2010.

**Royal Dutch Shell plc and Shell International Finance B.V.**

<b>Name</b>	<b>Business Address</b>	<b>Function</b>	<b>Other principal activities</b>
Guy Elliott	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director and Chairman of the Audit Committee	Chief Financial Officer of Rio Tinto plc  Member of UK Takeover Panel
Charles O. Holliday	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director and Chairman of the Corporate and Social Responsibility Committee <sup>(1)</sup>	Director of Bank of America Corporation Director of Deere & Company
Gerard Kleisterlee	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director <sup>(4)</sup>	Chairman of Vodafone Group plc Member of Supervisory Board of De Nederlandsche Bank NV Member of Supervisory Board of Daimler AG Director of Dell Inc Member of the European Roundtable of Industrialists
Sir Nigel Sheinwald	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive <sup>(2)</sup> director	
Linda G. Stuntz	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director <sup>(4)</sup>	Partner of the law firm Stuntz, Davis & Staffier P.C. Director of Raytheon Company
Gerrit Zalm	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director <sup>(2)</sup> <sup>(5)</sup>	Chairman of the Board of Management of ABN AMRO Bank N.V.

*(1) Member of the Remuneration Committee.*

*(2) Member of the Corporate and Social Responsibility Committee.*

*(3) Member of the Nomination and Succession Committee.*

*(4) Member of the Audit Committee.*

*(5) Appointed a Director of Royal Dutch Shell with effect from 1 January 2013.*

The Directors of Shell Finance and their function, their respective business addresses and other principal activities are:

<b>Name</b>	<b>Business Address</b>	<b>Function</b>	<b>Other principal activities</b>
Michiel Brandjes	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Director	General Counsel Corporate and Company Secretary to board of Royal Dutch Shell
Alan McLean	Carel van Bylandtlaan 30, 2596 HR The Hague,	Director	Executive Vice President Tax & Corporate Structure

## Royal Dutch Shell plc and Shell International Finance B.V.

<b>Name</b>	<b>Business Address</b>	<b>Function</b>	<b>Other principal activities</b>
	The Netherlands		
Peter van Driel	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Director	Vice President Investor Relations Europe
Andrew Longden	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Director	Group Treasurer of the Shell Group

### Conflicts of Interest

Certain statutory duties with respect to directors' conflicts of interest are in force under the Companies Act 2006 (the "Act"). In accordance with that Act and the Articles of Association, the Royal Dutch Shell Board may authorise any matter that otherwise may involve the Directors' breaching their duty to avoid conflicts of interest. The Royal Dutch Shell Board has adopted a procedure to address these requirements. It includes the Directors completing detailed conflict of interest questionnaires. The matters disclosed in the questionnaires are reviewed by the Royal Dutch Shell Board and, if considered appropriate, authorised in accordance with the Act and the Articles of Association. Conflicts of interest and gifts and hospitality received by and provided by Directors are kept under review by the Royal Dutch Shell Board.

No Royal Dutch Shell director has any potential conflict of interest between their duties to Royal Dutch Shell and their private interests or other duties. Royal Dutch Shell is not aware of any persons who, directly or indirectly, jointly or severally, will exercise or could exercise control over Royal Dutch Shell.

No Shell Finance director has any potential conflict of interest between their duties to Shell Finance and their private or other duties.

### Corporate governance

The Royal Dutch Shell Board is committed to the highest standards of corporate governance and believes that good governance is essential to business integrity and maintaining investors' trust. The Board confirms that for the year ended 31 December 2012 the Company has applied the main principles and complied with the relevant provisions set out in the UK Corporate Governance Code. In addition to complying with applicable corporate governance requirements in the UK, the Company must follow the rules of Euronext Amsterdam as well as the Dutch securities laws because of its listing on this exchange. The Company must likewise follow US securities laws and the New York Stock Exchange ("NYSE") rules and regulations because its securities are registered in the USA and listed on the NYSE.

Shell Finance complies with the corporate governance regime of The Netherlands.

### Audit Committee

The key responsibilities of the Committee are to assist the Royal Dutch Shell Board in fulfilling its oversight responsibilities in relation to internal control and financial reporting, the effectiveness of the risk management and internal control system, compliance with applicable external legal and regulatory requirements, monitoring the qualifications, expertise, resources and independence of both the internal and external auditors and assessing each year the auditors' performance and effectiveness.

The Committee keeps the Royal Dutch Shell Board informed of the Committee's activities and recommendations. Where the Committee is not satisfied with or wherever it considers action or improvement is required concerning any aspect of risk management and internal control, financial reporting or audit-related activities, it promptly reports these concerns to the Royal Dutch Shell Board. The Committee in its meetings covers a variety of topics, both standing items that the Committee considers as a matter of course (typically in relation to the quarterly results announcements, control and accounting matters) as well as a range of specific topics relevant to the overall control framework of the Company. The Committee invites the Chief Financial

## **Royal Dutch Shell plc and Shell International Finance B.V.**

Officer, the Chief Internal Auditor, the Executive Vice President Controller, the Vice President Accounting and Reporting and the external auditors to attend each meeting. Other members of management attend as and when requested. The Committee also holds private sessions with the external auditors and the Chief Internal Auditor without members of management being present.

Each year the Committee also considers the re-appointment of the external auditors and makes a recommendation to the Royal Dutch Shell Board. There are no contractual obligations that restrict the Committee's ability to make such a recommendation. The last competitive audit tender was in 2005 when PricewaterhouseCoopers LLP were first appointed as sole Auditors of the Company. Their performance has been evaluated each year by the Committee. Such evaluations have taken account of the prior year's external audit experience, feedback from management and compliance with relevant legislative, regulatory and professional requirements.

The members of the Audit Committee are Guy Elliott (chairman), Gerard Kleisterlee and Linda G Stuntz, all of whom are financially literate, independent, Non-executive Directors.

A copy of the Committee's terms of reference is available from the Company Secretary and can be found on the Shell Group website at: <http://s02.static-shell.com/content/dam/shell-new/local/corporate/corporate/downloads/pdf/investor/tor-auditco-december2012.pdf>

Shell Finance does not have an audit committee and there is no requirement for it to have an audit committee.

## **Recent Developments**

### **Litigation Update**

#### *Groundwater contamination*

Shell Oil Company (including subsidiaries and affiliates, referred to collectively as "SOC"), along with numerous other defendants, has been sued by public and quasi-public water purveyors, as well as governmental entities. The plaintiffs allege responsibility for groundwater contamination caused by releases of gasoline containing oxygenate additives. Most of these suits assert various theories of liability, including product liability, and seek to recover actual damages, including clean-up costs. Some assert claims for punitive damages. Fewer than 10 of these cases remain. On the basis of court rulings in SOC's favour in certain cases claiming damages from threats of contamination, the claims asserted in remaining matters, and Shell's track record with regard to amounts paid to resolve varying claims, the management of Shell currently does not believe that the outcome of the remaining oxygenate-related litigation pending, as at 31 May 2013, will have a material impact on Shell.

#### *Nigerian claims*

Shell subsidiaries and associates operating in Nigeria are parties to various environmental and contractual disputes. These disputes are at different stages in litigation, including at the appellate stage, where judgments have been rendered against Shell. If taken at face value, the aggregate amount of these judgments could be seen as material. The management of Shell, however, believes that these matters will ultimately be resolved in a manner favourable to Shell. While no assurance can be provided as to the ultimate outcome of any litigation, these matters are not expected to have a material effect on Shell.

#### *Other*

In the ordinary course of business, Shell subsidiaries are subject to a number of other loss contingencies arising from litigation and claims brought by governmental and private parties. The operations and earnings of Shell subsidiaries continue, from time to time, to be affected to varying degrees by political, legislative, fiscal and regulatory developments, including those relating to the protection of the environment and indigenous groups, in the countries in which they operate. The industries in which Shell subsidiaries are engaged are also subject to physical risks of various types. The nature and frequency of these developments and events, as well as their effect on future operations and earnings, are unpredictable.

## Royal Dutch Shell plc and Shell International Finance B.V.

### Business Update

*Update for the year ended 31 December 2012:*

#### UPSTREAM

In Australia we increased our interest in the West Browse joint venture to 35% and in the East Browse joint venture to 25% in an exchange with Chevron for our 33.3% interest in Clio-Acme plus cash of approximately \$0.5 billion.

Also in Australia we formed a joint venture (Shell interest 82%) with Nexus Energy and Osaka Gas to operate the Crux gas and condensate field.

In Norway we acquired BP's 18.4% interest in the offshore Draugen field for a consideration of \$0.2 billion. Shell is already the operator of the field and this transaction brought Shell's interest to 44.6%.

In the UK we acquired 75% of Hess Corporation's interests in the Beryl area fields and Scottish Area Gas Evacuation system. This transaction was completed in January 2013, increasing Shell's production in the Beryl area fields from 9 thousand boe/d to 20 thousand boe/d.

Also in the UK we acquired Hess Corporation's 15.7% interest in the Schiehallion field and its 12.9% interest in the Schiehallion floating production, storage and offloading (FPSO) facility for \$0.5 billion. In February 2013, we also acquired an additional 5.9% interest in the offshore Schiehallion field from Murphy Schiehallion Ltd. bringing our interest in the field to 55%.

Low North American gas prices led to an accelerated shift in exploration and appraisal activities, along with production, from existing dry gas fields to those rich in liquids. In the USA Shell acquired acreage in the Delaware Permian Basin, West Texas, from Chesapeake Energy Corporation for an announced consideration of \$1.9 billion. The acreage of approximately 2,200 square kilometres, with an additional 300 square kilometres linked to contractual conditions, is expected to be rich in oil and natural gas liquids and currently produces approximately 26 thousand boe/d with growth potential.

We also took the following final investment decisions during 2012:

- In Nigeria we took the final investment decision on the Forcados Yokri Integrated Project (Shell interest 30%) and the Southern Swamp Associated Gas Gathering Project (Shell interest 30%). These projects are expected to produce at peak production approximately 90 thousand boe/d and 85 thousand boe/d respectively, and reduce flaring intensity.
- In Italy we took the final investment decision on the onshore Tempa Rossa field (Shell interest 25%) in the Basilicata region. This project is expected to produce approximately 45 thousand boe/d at peak production.
- In Malaysia we took the final investment decision for the development of the Malikai deep-water oil field, part of the Block G PSC (Shell interest 35%), offshore Sabah. The Shell-operated project is expected to produce approximately 60 thousand boe/d at peak production.
- In Canada we took the final investment decision on the Quest carbon capture and storage project (Shell interest 60%) near Edmonton, Alberta. The Quest project is expected to capture and store deep underground more than 1 mtpa of CO<sub>2</sub> produced in bitumen processing, and reduce direct emissions from the Scotford Upgrader by up to 35%. We continued to divest selected Upstream assets during 2012, including our 40% participating interest in the BS-4 oil and gas exploration block in the Santos Basin offshore Brazil; our interest in the Gassled natural gas transport infrastructure joint venture in Norway; our 30% interest in oil mining leases 30, 34 and 40 in the Niger Delta, Nigeria; our 50% interest in the Holstein field in the Gulf of Mexico; and our interest in the Seal area within the Peace River oil sands of Alberta, Canada. Also in Canada, we sold a 20% interest in our Groundbirch tight-gas project. In Australia we completed the sale of a 17.5% interest in the Prelude FLNG project to INPEX, and a 10% interest to KOGAS. We also completed the sale of a further 5% interest to CPC Corporation in the first quarter of 2013.



## Royal Dutch Shell plc and Shell International Finance B.V.

### DOWNSTREAM

In Refining, Shell acquired the remaining outstanding shares in Gasnor AS, a market leader in Norway, that supplies LNG as a transport fuel to industrial and marine customers.

In Australia refining operations at the 79 thousand b/d Clyde refinery ceased. The Clyde refinery and the Gore Bay terminal are in the process of being converted into a fuel import facility.

In Marketing, Shell agreed to acquire Neste Oil Corporation's network of 105 retail sites in Poland. Shell completed the sale of the majority of its shareholding in downstream activities in Botswana, Burkina Faso, Côte d'Ivoire, Guinea, Kenya and Namibia, whilst downstream activities in Tanzania were discontinued. The agreements form part of the divestment of Shell's shareholding in most of its downstream activities in Africa as announced in 2011. Shell continues to divest non-strategic Downstream positions. Divestments included retail stations in North America and most of our LPG activities in Asia-Pacific.

*Update for the period 1 January 2013 to 1 August 2013:*

### UPSTREAM

In **Abu Dhabi, during the second quarter 2013**, Shell was selected by the Abu Dhabi National Oil Company to participate in a 30-year joint venture (Shell interest 40%) to develop the Bab sour gas reservoirs in the Emirate of Abu Dhabi. The two companies will now enter a period of commercial and technical work leading to the development of the Bab sour gas reservoir, potentially for 0.5 billion standard cubic feet per day ("scf/d") of sales gas.

In **Canada**, the first debottlenecking project for the Athabasca Oil Sands Project (Shell interest 60%) was completed **during the first quarter 2013**. The project is expected to add some 10 thousand barrels per day ("b/d") of capacity.

In **Indonesia, during the second quarter**, Shell acquired an additional 5% interest in the Masela block in the Arafura Sea, increasing its interest to 35%. The Masela production-sharing contract ("PSC") contains the Abadi gas discovery, for which a 2.5 million tonnes per annum ("mtpa") floating LNG facility is in the front-end engineering and design ("FEED") phase.

In **Iraq, during the second quarter 2013**, the Basrah Gas Company ("BGC"), a 25-year incorporated joint venture (Shell interest 44%), officially commenced operations. BGC captures associated gas that is currently being flared from three oil fields in southern Iraq. BGC will be dedicated to the rehabilitation and upgrade of current facilities as well as building new assets, which is expected to increase the production capacity from currently 0.4 billion scf/d to potentially 2 billion scf/d.

In **Nigeria, during the first quarter 2013**, Shell took the final investment decision for the development of the deep-water project Erha North Phase 2 (Shell interest 44%), part of oil mining lease 133, located over 100 kilometres off the Nigerian coast. The project is expected to produce some 60 thousand barrels of oil equivalent per day ("boe/d") of mainly oil at peak production and improve utilisation of the existing Erha floating production, storage and offloading ("FPSO") vessel. **During the second quarter 2013**, Shell announced the final investment decisions for the Trans Niger Pipeline loop-line ("TNPL") and the Gbaran-Ubie Phase Two projects (Shell interest 30%), both in the eastern Niger Delta. The TNPL project includes improvements as a result of which the pipeline will be better protected against crude oil theft and sabotage, and additional wells which are expected to add peak production of some 45 thousand b/d. The Gbaran-Ubie Phase Two project consists of five gas supply and infrastructure projects, with an expected peak production of 215 thousand boe/d, for continued gas supply to Nigeria LNG and the Gbaran-Ubie domestic power plant. Shell also announced the intention of a strategic review, consultation with partners and the potential exit from interests it holds in some further onshore leases in the eastern part of the Niger Delta, subject to partner and regulatory approvals. The review could lead to divestment of some 80 to 100 thousand boe/d of Shell share production.

In **Oman, during the first quarter 2013**, the Amal Steam enhanced oil recovery project (Shell interest 34%) was brought on stream. The project is expected to ramp up over a number of years and produce some 20 thousand b/d of oil at peak production.

## Royal Dutch Shell plc and Shell International Finance B.V.

**During the first quarter 2013**, Shell entered into an agreement to acquire part of **Repsol S.A.**'s LNG portfolio outside of North America, including supply positions in Peru and Trinidad & Tobago, for a cash consideration of \$4.4 billion. Under the terms of the agreement, Shell will assume finance lease obligations of the businesses acquired, predominantly reflecting leases for LNG ship charters, provisionally estimated at \$1.8 billion. The acquisition is expected to add some 7.2 mtpa of LNG volumes through long-term offtake agreements, including 4.2 mtpa of equity LNG plant capacity. The transaction, which has an effective date of October 1, 2012, is expected to close in the second half of 2013 or early 2014, subject to regulatory approvals and other conditions precedent.

In the **Philippines, during the second quarter 2013**, Shell announced commencement of FEED for an LNG import facility in Batangas. The floating storage and regasification unit is expected to have an annual capacity of approximately 4 mtpa.

In the **United Kingdom, during the first quarter 2013**, Shell completed the acquisition of an additional 5.9% interest in the offshore Schiehallion field, increasing Shell's interest to 55%. Shell also completed the acquisition of additional interests in the Beryl area fields and SAGE infrastructure, lifting Shell's production in the Beryl area fields from 9 thousand boe/d to 20 thousand boe/d. Further investment in Schiehallion and Beryl is expected to extend the production life of the fields.

In the **United States, during the first quarter 2013**, Shell and Kinder Morgan affiliates announced their intent to form a company to develop a natural gas liquefaction plant in two phases at the existing Elba Island LNG terminal to export LNG. The total project is expected to have a liquefaction capacity of approximately 2.5 mtpa. Shell will own 49% of the entity and subscribe to 100% of the liquefaction capacity. The agreement is subject to corporate and regulatory approvals. **During the second quarter 2013**, Shell announced the final investment decision for the Stones deep-water project (Shell interest 100%) in the Gulf of Mexico. The first phase of development has an expected peak production of 50 thousand boe/d. The Stones field was discovered in 2005 in the Gulf of Mexico's Lower Tertiary geologic trend.

In **North America, during the first quarter 2013**, Shell took the final investment decision for two 0.25 mtpa natural gas liquefaction units (Shell interest 100%) in Louisiana, United States and Ontario, Canada. These units will form the basis of two new LNG transport corridors in the Gulf Coast and Great Lakes regions, fuelling marine vessels and heavy-duty trucking fleets. **During the second quarter 2013**, in North American resources plays, a strategic review of Shell's portfolio is underway, following recent acreage build and well results. This strategic review will lead to divestments and a refocusing of investment into fewer plays, with growth potential.

**During the first quarter 2013**, Shell participated in the Kentish Knock South-1 gas discovery (Shell interest 50%) offshore Western Australia. As part of its global exploration programme Shell added **new acreage** positions during the first quarter 2013, including liquids-rich acreage positions in Canada, offshore positions in Norway and the United Kingdom North Sea, along with successful bidding results in the Gulf of Mexico, United States. Shell also signed a PSC for tight gas in the Yuzivska area in the Ukraine and, in China, Shell received government approval for the tight gas PSC for the Fushun-Yongchuan block in the Sichuan basin. **During the second quarter 2013**, Shell announced the Vicksburg oil discovery (Shell interest 75%) in the deep-water Gulf of Mexico. This discovery adds to the nearby Appomattox discovery (Shell interest 80%). Shell also participated in the successful appraisal Zabazaba-4 (Shell interest 50%) offshore Nigeria. As part of its global exploration programme Shell added new acreage **positions during the second quarter 2013**, including offshore positions in the Gulf of Mexico, the Norwegian Barents Sea, the Turkish Black Sea, and in the Australian Exmouth basin. Shell also expanded certain positions in the United Kingdom North Sea, and onshore Albania.

**Upstream divestment proceeds** totalled some \$0.6 billion for **the first half year 2013** and included proceeds from the divestment of a 5% interest in the Prelude floating LNG project to CPC Corporation as announced in 2012, reducing Shell's interest in the project to 67.5%.

**In July 2013**, Shell announced the final investment decision for the offshore BC-10 Phase 3 project (Shell interest 50%) in **Brazil**. The project will include the installation of subsea infrastructure at the Massa and Argonauta O-South fields. The project is expected to reach a peak production of 28 thousand boe/d. Shell also

## **Royal Dutch Shell plc and Shell International Finance B.V.**

announced the final investment decision for a redevelopment at the offshore Bijupirá/Salema fields (Shell interest 80%), which is expected to boost production to a peak of 35 thousand boe/d.

### *DOWNSTREAM*

**During the first quarter 2013**, in **Singapore**, Shell announced the final investment decisions for additional capacity at its Jurong Island petrochemicals facility. The investments (Shell interest 100%) are expected to add 140 thousand tonnes per annum (“tpa”) of high-purity ethylene oxide capacity, 140 thousand tpa of ethoxylation capacity and more than 100 thousand tpa of polyols capacity.

**During the second quarter 2013**, *Shell announced that its 120 thousand b/d Geelong refinery in Australia is for sale and that it is considering the sale of selected downstream marketing businesses in Italy. Also during the second quarter 2013*, Shell finalised an agreement with TravelCenters of America in the United States to develop a nationwide network of LNG fuelling centres for heavy-duty road transport customers at up to 100 existing sites. **Finally**, Shell completed the acquisition of Neste Oil Corporation’s network of 105 retail sites **in Poland**.

**Downstream divestment proceeds** totalled some \$0.3 billion for **the first half year 2013** and included proceeds from the divestment of Shell’s interest in a pipeline business in the United States, Shell’s LPG business in Vietnam and the majority of Shell’s shareholding in its downstream business in Uganda.

**In July 2013**, Shell announced it will build a lubricant plant, a grease plant and other related facilities in Tuas, Singapore. When completed, the new plants will replace Shell’s Woodlands plants in Singapore.

# Taxation

## The Netherlands

The following is intended as general information only and it does not purport to present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a Noteholder. For Dutch tax purposes, a Noteholder may include an individual or entity who does not have the legal title of the Notes, but to whom nevertheless the Notes are attributed based either on such individual or entity owning a beneficial interest in the Notes or based on specific statutory provisions, including statutory provisions pursuant to which Notes are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settler, grantor or similar originator of a trust, foundation or similar entity that holds the Notes. Prospective Noteholders should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on the Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

The Issuers have been advised that under Dutch tax law the following treatment will apply to the Notes.

For the purpose of this paragraph, “**Dutch Taxes**” shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

The statements below are based on the assumption that the Final Terms of any Series of Notes will not materially deviate from the Terms and Conditions as described in this Information Memorandum, in particular with regard to the Status of the Notes and the Guarantee.

### A. Withholding tax

Any payments made under the Notes will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

### B. Taxes on income and capital gains

A Noteholder will not be subject to any Dutch Taxes on any payment made to the Noteholder under the Notes or on any capital gain made by the Noteholder from the disposal, or deemed disposal, or redemption of, Notes, except if:

- (i) the Noteholder is an individual and receives or has received any benefits from the Notes as employment income, deemed employment income or otherwise as compensation;
- (ii) the Noteholder is, or is deemed to be, resident in the Netherlands for Dutch (corporate) income tax purposes; or
- (iii) the Noteholder is an individual and has opted to be taxed as if resident in the Netherlands for Dutch income tax purposes; or
- (iv) the Noteholder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise, other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Notes are attributable; or
- (v) the Noteholder is an individual and has a substantial interest (*aanmerkelijk belang*), or a fictitious substantial interest (*fictief aanmerkelijk belang*), in the Issuer or derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in the Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or

## Taxation

- (vi) the Noteholder is not an individual and has a substantial interest, or a fictitious substantial interest, in the Issuer, which (fictitious) substantial interest is not part of the assets of an enterprise and (one of) the main purposes of the chosen ownership structure is the evasion of Dutch income tax or dividend withholding tax;
- (vii) the Noteholder is not an individual and is entitled to a share in the profits of an enterprise or a coentitlement to the net worth of an enterprise, other than by way of the holding of securities, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable; or
- (viii) the Noteholder is an individual and is entitled to a share in the profits of an enterprise, other than by way of securities, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Generally, a Noteholder has a substantial interest if such Noteholder, alone or together with his partner, directly or indirectly:

- (ix) owns, or holds certain rights on, shares representing five per cent. or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer;
- (x) holds rights to, directly or indirectly, acquire shares, whether or not already issued, representing, directly or indirectly, five per cent. or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer; or
- (xi) owns, or holds certain rights on, profit participating certificates that relate to five per cent. or more of the annual profit of the Issuer or to five per cent. or more of the liquidation proceeds of the Issuer.

A Noteholder who has the ownership of shares of the Issuer, will also have a substantial interest if his partner or one of certain relatives of the Noteholder or of his partner has a substantial interest.

For Dutch tax purposes, the direct or indirect ownership of the shares of the Issuer is attributed to the Noteholder based either on the Noteholder owning a beneficial interest in the shares or based on specific statutory provisions, including statutory provisions pursuant to which shares are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settler, grantor or similar originator of a trust, foundation or similar entity that holds the shares, although the Noteholder does not have the legal title of the shares.

Generally, a Noteholder has a fictitious substantial interest if, without having an actual substantial interest in the Issuer:

- (i) an enterprise has been contributed to the Issuer in exchange for shares on an elective non-recognition basis;
- (ii) the shares have been obtained under inheritance law or matrimonial law, on a non-recognition basis, while the disposing shareholder had a substantial interest in the Issuer;
- (iii) the shares have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, while the Noteholder prior to this transaction had a substantial interest in an entity that was party to that transaction; or
- (iv) the shares held by the Noteholder, prior to dilution, qualified as a substantial interest and, by election, no gain was recognised upon disqualification of these shares.

### C. Gift tax or inheritance tax

No Dutch gift tax or inheritance tax is due in respect of any gift of Notes by, or inheritance of Notes on the death of, a Noteholder, except if:

- (i) at the time of the gift or death of the Noteholder, the Noteholder is resident, or is deemed to be resident, in the Netherlands; or
- (ii) the Noteholder passes away within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or is deemed to be, at the time of his death, resident in the Netherlands; or

## **Taxation**

(iii) the gift of the Notes is made under a condition precedent and the Noteholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

### **D. Other taxes**

No other Dutch Taxes, including turnover tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a Noteholder by reason only of the issue, acquisition or transfer of the Notes.

### **E. Residency**

Subject to the exceptions above, a Noteholder will not become resident, or deemed resident, in the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal, of the Notes.

## **THE UNITED KINGDOM**

The following is a summary of the Issuers' understanding of current United Kingdom law and HM Revenue & Customs ("HMRC") published practice relating only to United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. The comments do not deal with any other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Some aspects do not apply to certain classes of people (such as dealers and persons connected with the Issuers) to whom special rules may apply. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to United Kingdom withholding taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

### **A. UK Withholding Tax on Payments by the Issuer**

Provided that the interest is not treated as having a United Kingdom source, payments of interest by the Issuer on Notes issued by Shell Finance may be made without withholding on account of United Kingdom income tax.

Payments of interest on the Notes issued by Royal Dutch Shell may be regarded as having a United Kingdom source and may therefore be required to be paid under deduction of United Kingdom income tax.

However, even if payments of interest on the Notes are regarded as having a United Kingdom source, they may be made without withholding or deduction for or on account of United Kingdom income tax under the United Kingdom "quoted Eurobond exemption" if and for so long as they carry a right to interest and are and continue to be listed on a recognised stock exchange as defined in Section 1005 of the Income Tax Act 2007. The London Stock Exchange is such a recognised stock exchange. Notes will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided therefore that Notes remain so listed, payments of interest by the Issuer on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Notes paid by the Issuer may also be paid without withholding or deduction on account of United Kingdom tax where interest on such Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that

## **Taxation**

the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes paid by the Issuer may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, if payments of interest on the Notes are treated as having a United Kingdom source an amount must generally be withheld from such payments on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### **B. Payments by Guarantor**

If Royal Dutch Shell (as Guarantor) makes any payments in respect of interest on the Notes (or other amounts due under the relevant Notes other than the repayment of amounts subscribed for the Notes) the payments may be regarded as having a United Kingdom source, and such payments may be subject to withholding on account of United Kingdom tax at the basic rate (currently 20 per cent.) subject to any direction to the contrary by HMRC under the provisions of any applicable double taxation treaty or any other relief that may apply. Such payments by Royal Dutch Shell may not be eligible for the exemptions described above.

### **C. Provision of Information**

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

HMRC has indicated that it will not use its information-gathering power on interest to obtain information about amounts payable on the redemption of deeply discounted securities which are paid before 6 April 2014.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

### **D. Other Rules Relating to United Kingdom Withholding Tax**

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not be subject to any withholding on account of United Kingdom tax pursuant to the provisions mentioned in A above, but may be subject to reporting requirements as outlined in C above.
2. Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest which have a United Kingdom source are subject to withholding on account of United Kingdom tax, subject to any reliefs that

## Taxation

may apply. Whether or not they have a United Kingdom source, payments of interest will be subject to the reporting requirements as outlined in C above.

3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to “interest” and “principal” in this summary of the United Kingdom withholding tax position mean “interest” and “principal” as understood in United Kingdom tax law. The statements in this summary do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.
5. This summary description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 17 of the Notes and does not consider the tax consequences of any such substitution.

## EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual (who is the beneficial owner of those payments) resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The Directive does not preclude EU Member States from levying other types of withholding tax. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

## THE PROPOSED FINANCIAL TRANSACTIONS TAX (“FTT”)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.



## Taxation

### Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuers may be classified as FFIs.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the "**UK-US IGA**") based largely on the Model 1 IGA. The United States and the Netherlands are finalizing negotiations relating to an IGA.

The Issuers may be treated as a Reporting FIs pursuant to the relevant IGAs and do not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the relevant Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the relevant Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, the Guarantor, any paying agent and the common depositary or the common safekeeper, given that each of the entities in the payment chain beginning with the Issuer and ending with the clearing systems is a major financial institution

## **Taxation**

whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive notes will only be printed in remote circumstances.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.**

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

## Subscription and Sale

Subject to the terms and conditions in an amended and restated Dealer Agreement dated 15 August 2013 between Shell Finance, Royal Dutch Shell, the Dealers and the Arranger (as modified and/or supplemented and/or restated from time to time, the “**Dealer Agreement**”), Notes may be offered on a continuous basis by each Issuer to the Dealers. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

Shell Finance and Royal Dutch Shell have agreed to indemnify the Dealers, on a joint and several basis, against certain liabilities in connection with the offer and sale of Notes.

### **THE UNITED STATES OF AMERICA**

#### **Regulation S Category 2**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. federal tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Where the D Rules are specified in the Final Terms as being applicable in relation to any Tranche of Notes, the following legend will appear on all Notes which have an original maturity of more than one year and on all Coupons and Talons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of all the Notes of the Tranche of which such Notes are a part as determined, and certified to the Agent or the relevant Issuer, by such Dealer (or in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, or, in the case of a syndicated issue, the relevant lead manager in which case the Agent or the relevant Issuer shall notify such Dealer when all such Dealers have, or the lead manager has, as the case may be, so certified) only in accordance with Rule 903 of Regulation S under the Securities Act, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## Subscription and Sale

### THE UNITED KINGDOM

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) *Commercial paper*: in relation to any Notes which have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) *Investment advertisements*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to either Obligor; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### THE NETHERLANDS

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied with and will comply with the requirements under the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) that Zero Coupon Notes in definitive form of any Issuer and other Notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act may only be transferred or accepted through the intermediary of either the relevant Issuer or a Member of Euronext Amsterdam N.V. and with due observance of the Dutch Savings Certificates Act (including registration requirements), except in the case of (i) the initial issue of such Notes to the first holders thereof, (ii) any transfer and acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) any transfer or acceptance of such Notes, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall include in:

- (a) any offer of Notes to the public in The Netherlands other than an offer:
  - (i) in respect of which a prospectus (and any supplement if required) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “AFM”) (or, where appropriate, by the competent authority in another European Economic Area Member State which has implemented the Prospectus Directive and notified to the AFM in accordance with the Prospectus Directive) has been made generally available; or
  - (ii) only to qualified investors as defined in the Prospectus Directive; and
- (b) any advertisement relating to such an offer, and any document in which the prospect of such offer is held out;

that:

- (A) no prospectus approved by the AFM has been or will be made generally available; and
- (B) such offer is not supervised by the AFM;

in such manner as prescribed by the AFM from time to time.

For purposes of this provision the expression “**Prospectus Directive**” shall have the meaning set out under “Public Offer Selling Restriction under the Prospectus Directive”.

## Subscription and Sale

### BELGIUM

With regard to Notes having a maturity of less than 12 months, this Information Memorandum has not been, and is not expected to be, submitted for approval to the Belgian Financial Services and Markets Authority (FSMA). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action that would be characterised as a public offering of such Notes in Belgium in accordance with the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

### FRANCE

Each Obligor and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) *Offer to the public in France:*

It has only made and will only make an offer of Notes to the public in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (“AMF”), on the date of its approval or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the prospectus all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and in each case (iii) when the formalities required by French laws and regulations have been carried out; or

(b) *Private placement in France:*

It has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Information Memorandum, the relevant Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1, L533-16 and L533-20 of the French *Code monétaire et financier*.

This Information Memorandum prepared in connection with the Notes has not been submitted to the clearance procedures of the AMF.

### PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Final Terms in relation thereto to the public in that Relevant Member State; except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in

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such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and
- the expression 2010 PD Amending Directive means Directive 2010/73/EU.

## HONG KONG

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are “structured products” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**Securities and Futures Ordinance**”)) other than (i) to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made under the that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to any Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance.

## JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan,

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except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **THE PEOPLE'S REPUBLIC OF CHINA**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered and will not offer, sell or deliver any of the Notes in the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) except as permitted by the securities laws of the People's Republic of China.

### **GENERAL**

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Subscription Agreement or Dealer Accession Letter, as appropriate.

No action has been taken in any jurisdiction that would permit a public offering of any Notes, or possession or distribution of this Information Memorandum or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable laws, regulations and directives in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Information Memorandum, any other offering material or any Final Terms and none of the Obligors and any other Dealer shall have responsibility therefor.

## General Information

1. The listing of the Programme in respect of Notes is expected to be granted on or about 15 August 2013. Application has been made to the UK Listing Authority for Notes other than Exempt Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the Official List and to be admitted to trading on the London Stock Exchange's regulated market.

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.

2. Each Obligor has obtained all internal necessary consents, approvals and authorisations in the United Kingdom and The Netherlands in connection with the issue and performance of Notes and the Guarantee. The update of the Programme and the issue of Notes was authorised by resolutions of the Board of Directors of Shell Finance passed on 25 May 2009 and 22 December 2011 and a resolution of the Board of Directors of Royal Dutch Shell passed on 20 May 2009. The giving of the Guarantee by Royal Dutch Shell was authorised by a resolution of the Board of Directors of Royal Dutch Shell passed on 20 May 2009.
3. Each Note, Coupon and Talon relating to Notes which have an original maturity of more than one year days will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
4. Save as disclosed under "Recent Developments – Litigation Update – Groundwater contamination" and "Recent Developments – Litigation Update – Nigerian claims" on page 71 and "Risk Factors – Risks relating to Shell's business - Shell is currently subject to a Deferred Prosecution Agreement with the U.S. Department of Justice for violations of the Foreign Corrupt Practices Act" on page 12, there are no, nor have there been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Obligors are aware) in the 12 months preceding the date of this document, which may have, or have had in such period, a significant effect on the financial position or profitability of Shell Finance, Royal Dutch Shell or Royal Dutch Shell and its subsidiaries taken as a whole.
5. There has been no material adverse change in the prospects of Royal Dutch Shell, Shell Finance or Royal Dutch Shell and its subsidiaries taken as a whole since 31 December 2011, there has been no significant change in the financial or trading position of Royal Dutch Shell or Royal Dutch Shell and its subsidiaries taken as a whole since 31 March 2013 and there has been no significant change in the financial or trading position of Shell Finance since 31 December 2012.
6. The financial statements of Royal Dutch Shell for the financial year ended 31 December 2011 and for the financial year ended 31 December 2012 have, in each case, been audited, without qualification, by PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors of 1 Embankment Place, London WC2N 6RH.

Royal Dutch Shell was incorporated in February 2002. The financial information relating to Royal Dutch Shell included in this document does not constitute its statutory accounts for any of the periods presented. The statutory accounts of Royal Dutch Shell for the 12-month period ended 31 December 2011 and for the 12-month period ended 31 December 2012 have, in each case, been delivered to the Registrar of Companies. PricewaterhouseCoopers LLP have issued an audit report under Section 235 of the Companies Act in respect of the accounts for the 12-month period ended 31 December 2011 and for the 12-month period ended 31 December 2012. Each audit report was unqualified and did not include any statements made under Section 237(2) or (3) of the Companies Act.

The financial statements of Shell Finance for the financial year ended 31 December 2011 and for the financial year ended 31 December 2012 have, in each case, been audited, without qualification, by PricewaterhouseCoopers Accountants N.V., the partner signing the auditors' report is a member of the Dutch Institute for Chartered Accountants (NIVRA).



## General Information

The auditors of the Obligors have no material interest in the Obligors.

7. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

8. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
9. Neither Obligor intends to provide any post-issuance information in relation to any issues of Notes.
10. For a period of 12 months following the date of this Information Memorandum, copies of the following documents (together with an English translation, where relevant) will when published be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the office of each of the Obligors and the Agent:
  - (i) the Agency Agreement (as amended, supplemented and/or restated from time to time);
  - (ii) the Dealer Agreement (as amended, supplemented and/or restated from time to time);
  - (iii) the Trust Deed (as amended, supplemented and/or restated from time to time) (which includes the form of the Global Notes, the Definitive Notes, the Coupons and the Talons);
  - (iv) the constitutional documents of each of the Obligors; and
  - (v) this Information Memorandum, any supplement to this Information Memorandum and any documents incorporated by reference in this Information Memorandum from time to time and each Final Terms (save that Final Terms relating to Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospective Directive will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the Obligors and the Agent as to its holding of Notes and identity).
11. The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

In addition, copies of this Information Memorandum, any supplement to this Information Memorandum, any documents incorporated by reference in this Information Memorandum from time to time and each Final Terms relating to Notes which are admitted to trading on the London Stock Exchange's regulated market will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Final Terms relating to Notes which are either admitted to trading on a regulated market within the European Economic Area other than the London Stock Exchange's regulated market or offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be published in accordance with Article 14 of the Prospectus Directive.

12. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Obligors and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their

## General Information

own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Obligors or the Obligors' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Obligors routinely hedge their credit exposure to the Obligor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Shell International Finance B.V.**

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*To Royal Dutch Shell plc*

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