

ROYAL DUTCH SHELL PLC

NOMINATION AND SUCCESSION COMMITTEE

TERMS OF REFERENCE

Purpose

The Board of Directors of Royal Dutch Shell plc (the “**Company**”) has constituted a Nomination and Succession Committee (the “**Committee**”) the purpose of which is to:

- lead the process for appointments to the Board of Directors of the Company (the “**Board**”) and to Senior Management positions;
- make recommendations to the Board on all Board and Senior Management appointments and re-appointments;
- review and make recommendations to the Board on succession planning for the Board and Senior Management, ensuring plans are in place for an orderly succession and overseeing the development of a diverse succession pipeline;
- review and make recommendations to the Board on corporate governance guidelines; and
- review the Company’s policy and strategies on diversity and inclusion, and monitor the effectiveness of diversity initiatives.

“**Senior Management**” means the Company’s Executive Committee and the Company Secretary.

Membership and Independence

The members of the Committee shall be appointed by the Board and shall consist of at least three Non-executive Directors including the Chair and the Deputy Chair (who is also the Senior Independent Director). A majority of members of the Committee shall be independent.

The Chair shall act as Chair of the Committee (the “**Committee Chair**”) except where the business concerns him or her personally or the appointment of his or her successor. In such circumstances or in the absence of the Committee Chair, the Deputy Chair shall chair the meeting.

If a regular member is unable to act due to absence, illness or any other cause, the Committee Chair or, in his or her absence, the Board may appoint another Director of the Company to serve as an alternate member, having due regard to maintaining the required majority of independent members.

No member of the Committee shall also be a member of both the Audit Committee and the Remuneration Committee.

Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two further three-year periods, provided that the majority of the Committee members remain independent.

Authority

The Board has constituted the Committee with the authorities necessary to perform the duties set out in these Terms of Reference.

The Committee, within the scope of its assigned duties, is authorised to seek any information it requires from employees, company officials and external parties.

The Committee may engage advisers or otherwise obtain such independent legal or other professional services, as it requires, at the expense of the Company.

The Board will provide the Committee with sufficient resources to undertake its duties, including access to the company

secretariat.

Secretary

The Company Secretary shall be the secretary of the Committee (the “**Committee Secretary**”).

Quorum

The quorum necessary for the transaction of business shall be two, of whom at least one must be independent. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Meeting Frequency

The Committee shall meet at least twice a year and as frequently as required to perform the duties set out in these Terms of Reference.

Meeting Attendance

Only the Committee Chair and members shall be entitled to participate in Committee meetings. Any Non-executive Director who is not a member of the Committee shall be entitled to attend Committee meetings; at the invitation of the Committee. Others, including the Chief Executive Officer, may also attend Committee meetings.

Notice of Meetings

Meetings of the Committee shall be arranged by the Committee Secretary at the request of the Committee Chair or any other member of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each Committee member and to other attendees (as appropriate) in advance of each scheduled meeting date together with an agenda and supporting papers. The Committee Secretary shall ensure that the agenda and supporting papers are received in a timely manner to enable full and proper consideration.

Meeting Minutes

The Committee Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

The Committee Secretary shall promptly circulate draft meeting minutes to the Committee Chair for review and subsequently to all members of the Committee. Meeting minutes shall be confirmed at the next meeting of the Committee and shall be available on request from the Company Secretary to all Non-executive Directors.

Engagement with Shareholders

The Committee Chair shall attend and respond to any questions relating to the Committee’s activities at the Annual General Meeting. The Committee Chair shall also seek engagement with the Company’s Shareholders on significant matters related to the Committee’s areas of responsibility.

Director Conflicts, Commitments and Investments

Prior to appointment as a Director, proposed appointees shall disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.

Directors shall notify the Board of subsequent significant changes in the time required to meet their other significant commitments.

The Chair shall not accept another role of chair of a FTSE 100 company.

The Chief Executive Officer and other senior management of the Company shall not accept a role of chair of a FTSE 100 company or more than one Non-executive Directorship of such a company.

Directors shall be encouraged to invest in the Company.

Permitted Interests

Nothing in this Terms of Reference shall be deemed to preclude a current Director or a Director otherwise determined to be independent from having interests or voting under the circumstances permitted by the Articles of Association.

Duties

1. Board Composition and Performance

The Committee shall:

- regularly review the structure, size and composition (including the age, gender, race and ethnicity, educational and professional backgrounds, skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any adjustments deemed necessary;
- annually assess whether a majority of the Board (including the Chair) is “independent”. The Committee must disclose its reasons if it determines that a Director is independent notwithstanding the existence of the following circumstances:
 - the Director has been an employee of the Company within the last five calendar years;
 - the Director has had a material business relationship with the Company within the last three calendar years (“material business relationship” for this purpose means remuneration, other than de minimis remuneration or Director’s fees, was paid by the Company, its subsidiaries or affiliates to the Director, to any entity in which the Director has a beneficial ownership interest of 5% or more, or to an entity by which the Director is employed or self-employed other than as a Director; remuneration is deemed de minimis if such remuneration is US\$50,000 or less in any calendar year or as otherwise determined and disclosed by the Board);
 - the Director has received additional remuneration other than Director’s fees or de minimis amounts;
 - the Director has been a Director, executive officer, or controlling person of a not-for profit entity that has, in the previous twelve months, received contributions in excess of the greater of US\$1 million or 2% of the entity’s gross revenues from the Company, the Executive Directors or other members of senior management;
 - the Director holds cross-directorships with other Company directors; or
 - the Director has close family ties with any of the Company’s advisers, Directors, or senior management;
- co-ordinate the annual evaluation of the Board’s and Board Committees’ performance. Performance evaluation should be used to assess whether the Non-executive Directors are spending enough time to fulfil their duties;
- under the leadership of the Deputy Chair, ensure that the Board conducts an adequate annual evaluation of the performance of the Chair, and that the Chair conducts an adequate annual evaluation of the performance of other Non-executive Directors;
- ensure that the Board conducts an annual evaluation of the performance of the Chief Executive Officer, and in consultation with the Chief Executive Officer, other Executive Directors;
- review, at least once a year, its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- make recommendations to the Board concerning membership of the Committee; and
- make recommendations to the Board concerning the appointment of the chair of each of the Audit Committee, Safety, Environment and Sustainability Committee and Remuneration Committee and, in consultation with the committee chair, the membership of each of those committees.

2. Board and Senior Management Appointments

The Committee shall:

- having evaluated the balance of age, gender, race and ethnicity, educational and professional backgrounds, skills, knowledge, experience and diversity on the Board, and hence defined the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- in identifying suitable candidates, the Committee shall:
 - consider the use of open advertising or the services of external advisers to facilitate the search;
 - consider candidates from a wide range of backgrounds; and
 - consider candidates on merit and against criteria established from a review of the Board profile and with due regard for the benefits of diversity on the Board, including aspects such as age, gender, race and ethnicity, educational and professional backgrounds, skills, knowledge and experience, taking care that appointees have sufficient time to undertake the role (if an executive of another listed company there must be no other non-executive appointments).
- under the leadership of the Deputy Chair, make recommendations to the Board for the appointment of the Chair, on the basis of an agreed job specification, including an assessment of the time commitment expected and recognising the need for availability in the event of crises. A proposed Chair's other significant commitments shall be disclosed to the Board before appointment and any changes reported to the Board as they arise;
- make recommendations to the Board for the appointment of a Chief Executive Officer;
- having evaluated the balance of age, gender, race and ethnicity, educational and professional backgrounds, skills, knowledge, experience and diversity within Senior Management, in consultation with the Chief Executive Officer, make recommendations to the Board concerning the appointment of the members of the Executive Committee and the Company Secretary;
- make recommendations to the Board concerning any nomination for appointment as Deputy Chair;
- make recommendations to the Board concerning a general policy for the approval of acceptance of appointments to external offices by Executive Directors and other senior executives, and any individual appointment as a Director of a public company;
- review and define orientation and induction plans for new Directors; and
- ensure that the Company Secretary, on behalf of the Board, writes to any appointee with a formal Letter of Appointment, detailing what is expected in terms of time commitment, committee service and involvement outside board meetings and proposes an induction plan approved by the Committee Chair.

3. Succession Planning

The Committee shall:

- keep under review the leadership needs of the Company, both Executive and Non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace, including contingency planning for sudden and unforeseen departures;
- give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the age, gender, race and ethnicity, educational and professional backgrounds, skills, knowledge, experience and diversity needed on the Board and within Senior Management in future;
- make recommendations to the Board concerning the succession plans for both Executive and Non-executive Directors, as well as Senior Management, and in particular for the Chair, Deputy Chair and Chief Executive Officer;
- make recommendations to the Board concerning the re-appointment of any Non-executive Director at the conclusion of his or her specified term of office, having due regard to their performance and ability to continue to contribute to the Board in the light of the age, gender, race and ethnicity, educational and

professional backgrounds, skills, knowledge, experience and diversity required;

- make recommendations to the Board concerning the re-election by shareholders of Directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the Company's Articles of Association, having due regard to their performance and ability to continue to contribute to the Board in the light of the age, gender, race and ethnicity, educational and professional backgrounds, skills, knowledge, experience and diversity required and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years); and
- make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any Director (subject, in the case of Company employees, to the provisions of the law and their service contracts).

4. Corporate Governance

The Committee shall:

- recommend, for the approval of the Board, corporate governance guidelines for the Company and review them regularly;
- monitor the Company's compliance with such guidelines and with applicable legal, regulatory and listing requirements in respect of corporate governance and recommend to the Board such changes or additional action as it deems necessary; and
- review and make recommendations in respect of external disclosures relating to corporate governance.

5. Diversity and Inclusion

The Committee shall:

- review the Company's policy and strategies on diversity and inclusion, including age, gender, race and ethnicity, educational and professional backgrounds, skills, knowledge, and experience;
- review the effectiveness of the diversity and inclusion policy and monitor the effectiveness of diversity initiatives; and
- consider and, if appropriate, set diversity objectives, and monitor progress in achieving the objectives.

6. Reporting Responsibilities

The Committee shall:

- report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- produce a report to be included in the Company's Annual Report about its activities, the process used to make appointments, its approach to succession planning and how both support developing a diverse pipeline, and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company;
- include in the report referred to above, a description of how the board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence board composition; and
- include in the report referred to above, a statement of the Board's policy on diversity, including age, gender, race and ethnicity, educational and professional backgrounds, skills, knowledge, and experience, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives, as well as a statement on the gender balance of Senior Management and their direct reports.

7. Other

The Committee shall:

- make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
- perform such further functions as the Board may from time to time request.