REMUNERATION
2015 REMUNERATION OUTCOME
ROYAL DUTCH SHELL
April, 2016
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DIRECTORS’ REMUNERATION

**Fixed remuneration**

- Alignment with strategy and shareholders
- Consistent policies
- Competitive and performance linked

**Annual bonus**

**Long term incentive plans**

Target outcome: CEO

- 55%
- 24%
- 21%
DIRECTORS’ REMUNERATION POLICY

**Fixed remuneration**
- Benchmarked against 4 oil majors and 20 European companies
- Drives pension

**Annual bonus**
- Short-term strategic targets
- Individual achievement
- 50% deferred in shares for 3 years

**Long term incentive plans**
- Long-term performance
- Relative to other oil majors
- 3 year performance + 2 year holding period

**Shareholding**
- Shareholding requirement: CEO: 7x base salary; CFO: 4x base salary

**Malus /clawback**
- Malus and clawback provision apply to bonus and LTIP

**30% weight CFFO**
- 20% weight Operational Excellence
  - project delivery
  - production
  - LNG sales
  - plant availability

**50% weight Sustainable development**
- Operational Excellence
  - project delivery
  - production
  - LNG sales
  - plant availability

- 30% weight TSR
- 20% weight EPS growth
- 20% weight ROACE growth
- 20% weight CFFO growth
REMCO: PAY FOR PERFORMANCE

- Performance measures + targets for annual bonus and LTIP
  - REMCO has evolved measures + targets
    - Increased thresholds for safety measures + regular tightening of project delivery measure
    - Addition of ROACE in LTIP from 2014
    - Addition of process safety in bonus from 2015

- REMCO ensures appropriate pay outcomes
  - Rewarded strong operational outcomes
  - Applied downwards discretion to bonus
2015 ANNUAL BONUS

Scorecard measures

- Net cash from operations (30%)
- Operational excellence (50%)
- Sustainable Development (20%)

Scorecard outcome

0 (min) 1 2 (max)

2014 2015

Annual scorecard outcome

- 2014
- 2015

2015 scorecard: 1.55 mathematical outcome
2015 scorecard: 1.40 after REMCO discretion
Individual performance factor of 1.2 in 2015
2015 LTIP + DBP OUTCOME

Measures 2013-2015

- Total shareholder return*
- Earnings per share growth
- Net cash from operations growth
- Production growth**

* Vesting capped at 50% of max if no vesting on TSR element
** Production has been replaced with ROACE from 2014 onwards

Vesting based on relative ranking against peer group (BP, Chevron, ExxonMobil, Total)

- 1st: 200% initial award
- 2nd: 150% initial award
- 3rd: 80% initial award
- 4th or 5th: Nil

CEO Ben van Beurden was not Executive Director in 2013 and hence received DBP

Vesting

LTIP + DBP vesting of 2013 awards over performance period ‘13-‘15: 16% of target (100%) and 8% of maximum (200%)
### SINGLE TOTAL FIGURE OF REMUNERATION

<table>
<thead>
<tr>
<th></th>
<th>Ben van Beurden</th>
<th>Simon Henry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td>Salaries</td>
<td>1,400</td>
<td>1,430</td>
</tr>
<tr>
<td>Taxable benefits</td>
<td>35</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total fixed remuneration</strong></td>
<td><strong>1,435</strong></td>
<td><strong>1,472</strong></td>
</tr>
<tr>
<td>Annual bonus</td>
<td>3,300</td>
<td>3,500</td>
</tr>
<tr>
<td>LTIP and DBP</td>
<td>-</td>
<td>163</td>
</tr>
<tr>
<td>PSP</td>
<td>863</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total variable remuneration</strong></td>
<td><strong>4,163</strong></td>
<td><strong>3,663</strong></td>
</tr>
<tr>
<td><strong>Total direct remuneration</strong></td>
<td><strong>5,598</strong></td>
<td><strong>5,135</strong></td>
</tr>
<tr>
<td>Pension*</td>
<td>10,695</td>
<td>441</td>
</tr>
<tr>
<td>Tax equalisation**</td>
<td>7,905</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total remuneration including pension</strong></td>
<td><strong>24,198</strong></td>
<td><strong>5,576</strong></td>
</tr>
<tr>
<td><strong>in dollars</strong></td>
<td><strong>$32,158</strong></td>
<td><strong>$6,190</strong></td>
</tr>
<tr>
<td><strong>in sterling</strong></td>
<td><strong>£19,510</strong></td>
<td><strong>£4,049</strong></td>
</tr>
</tbody>
</table>

* The accrual for the period (net of inflation) multiplied by 20 in accordance with UK reporting regulations.

** This arose in 2014 as a result of the impact of the promotion and relocation and is related to the increase in pension accrual. For Simon Henry, the amount is in respect of the length of time he has been resident in the Netherlands and contributing to a foreign pension plan.
2015 UPDATES TO REMUNERATION

No changes to Policy as approved by shareholders in 2014


Updates to remuneration, that took effect in 2015:
- Shareholding guideline for Executive Directors increased
- Deferred Bonus Plan (DBP) is simplified
- Process safety added to scorecard
- Increased thresholds for safety measures + regular tightening of project delivery measure
OUTLOOK FOR 2016

- No changes to policy as approved by shareholders
- No changes to LTIP metrics
- 2016 bonus targets to be updated to include BG
- Engagement during 2016 on potential policy changes

- Policy to be reviewed in 2016 prior to being put to a vote at the 2017 AGM (as required)
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April, 2016
## 2015 ANNUAL BONUS

<table>
<thead>
<tr>
<th>Measures</th>
<th>Weight (% of scorecard)</th>
<th>Target set</th>
<th>Result achieved</th>
<th>Score (0-2)</th>
<th>Ben van Beurden</th>
<th>Simon Henry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational cash flow ($ billion) [A]</td>
<td>30%</td>
<td>28.0</td>
<td>30.7</td>
<td>1.45</td>
<td>45%</td>
<td>65%</td>
</tr>
<tr>
<td>Operational excellence</td>
<td>50%</td>
<td>1.59</td>
<td></td>
<td></td>
<td>75%</td>
<td>119%</td>
</tr>
<tr>
<td>Project delivery: identified projects on time and budget (%)</td>
<td>20%</td>
<td>75%</td>
<td>82%</td>
<td>1.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production (kboe/d)</td>
<td>12%</td>
<td>2,814</td>
<td>2,954</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LNG Sales (mtpa)</td>
<td>6%</td>
<td>21.9</td>
<td>22.6</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refinery and chemical plant availability (%)</td>
<td>12%</td>
<td>88.5</td>
<td>89.3</td>
<td>1.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable development</td>
<td>20%</td>
<td>1.75</td>
<td></td>
<td>30%</td>
<td></td>
<td>53%</td>
</tr>
<tr>
<td>TRCF (incidents/million hours)</td>
<td>5%</td>
<td>1.13</td>
<td>0.94</td>
<td>1.63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational Tier 1 process safety events (number)</td>
<td>5%</td>
<td>65</td>
<td>51</td>
<td>1.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume of operational spills (thousand tonnes)</td>
<td>4%</td>
<td>1.2</td>
<td>0.8</td>
<td>1.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refining Energy Intensity Index (indexed to 2002)</td>
<td>4%</td>
<td>96.3</td>
<td>95.4</td>
<td>1.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fresh water intensity (cubic metres per tonne of production)</td>
<td>2%</td>
<td>1.80</td>
<td>1.66</td>
<td>1.31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Mathematical scorecard outcome | 1.55 |
| Scorecard outcome after REMCO adjustment | 1.4 |
| Final bonus [C] | € (% of base salary) | 3,500,000 (245%) | 2,050,000 (199%) |

[A] Excluding tax on divestments
[B] Annual bonus = (base salary x target bonus % x scorecard result), adjusted for individual performance by a factor of 1.2