



Long-term Incentive Plan – Calculation of Total Shareholder Return

Royal Dutch Shell plc

Definitions & cautionary note

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Total shareholder return – definition

- **Definition:** Total Shareholder Return (TSR) is calculated based on a Return Index (RI) sourced from Thomson Reuters Eikon. The RI tracks the share price movement and dividends re-invested at ex-dividend date. Therefore TSR is the difference between the share price at the beginning of the year and the share price at the end of the year (each averaged over 90 days), plus gross dividends delivered during the calendar year (reinvested quarterly), expressed as a percentage of the share price at the beginning of the year (averaged over 90 days).
- **Performance Period:** TSR is calculated as the percentage difference between the average RI at the start of the performance period and the average RI at the end of the performance period.

The average is calculated using the daily RI over the 90 day period straddling the start and end of the relevant performance period. The 90 day period for averaging TSR runs from 17 November to 14 February.

- **Adjustment for weighting of RDS A and RDS B:** As we have RDS A and RDS B shares, we calculate a weighted average of the TSR for each type of share based on the number of outstanding shares to arrive at an overall TSR for RDS. The number of outstanding shares is also obtained from Thomson Reuters Eikon.
- **Ranking:** RDS's TSR outcome is ranked against TSR calculated over the same period for the four other oil majors (BP, Chevron, ExxonMobil and Total). We use common currency to calculate TSR. Closing share prices for each day are used and share prices in non-US dollar markets are converted to US dollars.



2016 Long-term Incentive Plan award – TSR ranking outcome

Based on this methodology the TSR ranking for the 2016-2018 performance period was:

Ranking	Company
1	Royal Dutch Shell
2	BP
3	Chevron
4	Total
5	Exxon Mobil



