

**STRICTLY PRIVATE & CONFIDENTIAL**

From: Royal Dutch Shell plc ("Shell")

To: BG Group plc ("BG")

31 March 2015

Dear Sirs,

**Project Emerald**

In consideration of the mutual undertakings contained herein and in connection with the proposed acquisition by Shell of all the issued and to be issued share capital of BG (the "**Proposed Transaction**"), and in anticipation of the parties hereto entering into discussions and providing each other with information relating to the Proposed Transaction:

*Non-disclosure and use of Confidential Information*

1. Subject to paragraph 3 below, Shell undertakes to BG and BG undertakes to Shell to keep all Confidential Information strictly confidential using the same care that it applies to its own commercially sensitive non-public information and not to use or disclose any Confidential Information except as permitted by this letter. "**Confidential Information**" means:
  - (A) information provided before, on or after the date of this letter, directly or indirectly, by BG to Shell regarding the BG group or, as the case may be, by Shell to BG regarding the Shell group, in connection with the Proposed Transaction; and
  - (B) until such time as: (i) Shell or BG makes; or (ii) Shell and BG together make, a public announcement under Rule 2.4 or Rule 2.7 of the City Code on Takeovers and Mergers (the "**City Code**") regarding the Proposed Transaction (in each case as permitted by the terms of this letter), the fact of the consideration of the Proposed Transaction, the existence, status or progress of any negotiations or discussions relating to the Proposed Transaction, any terms proposed in relation to the Proposed Transaction and the existence and contents of this letter, in each of (A) and (B) other than information which is in the public domain or enters the public domain without any breach of the terms of this letter or which the recipient can show was properly and lawfully in its (or in a member of its group's or its advisers') possession prior to the time that it was provided by the other party.
2. Shell undertakes to BG and BG undertakes to Shell to ensure that members of their respective groups (meaning their respective subsidiary undertakings as defined in the Companies Act 2006) and their respective directors, employees and advisers (and the directors and employees of their advisers) (each, subject to paragraph 3(B) below, being a "**Connected Person**") comply with this letter and each party shall be liable to the other party for any breach of the terms of this letter by any of its Connected Persons.

3. A party may use Confidential Information solely for the purpose of evaluating, negotiating, advising upon or implementing the Proposed Transaction and may only disclose Confidential Information:
- (A) to its Connected Persons who have a clear need to know such information for the purposes of evaluating, negotiating, advising upon or implementing the Proposed Transaction;
  - (B) in the case of Shell, to its financing parties or underwriters who have a clear need to know such information for the purposes of evaluating, pursuing or implementing the financing of the Proposed Transaction and to their professional advisers engaged in relation to the Proposed Transaction, provided that such persons are informed of and agree to observe the confidential nature of the information being provided and are informed of the obligations of the parties under this letter (and each such person shall then become a Connected Person of Shell);
  - (C) to financial rating agencies, any governmental or supervisory body or any regulatory organisation (including the UK Listing Authority, the Panel on Takeovers and Mergers and the US Securities and Exchange Commission) with whom consultation is reasonably required in connection with the implementation of the Proposed Transaction, provided that:
    - (i) such persons are informed of the confidential nature of the information being provided; and
    - (ii) except in relation to the Panel on Takeovers and Mergers and the US Securities and Exchange Commission, up to, and including, the date either party makes a public announcement under Rule 2.4 or Rule 2.7 of the City Code in relation to the Proposed Transaction (in each case as permitted by the terms of this letter), the other party is informed in writing by the disclosing party in advance of any such disclosure with full details of the identity of participants, timing, purpose and content of such consultation and subsequently in writing with reasonable details of the foregoing to reflect what happened;
  - (D) to the extent required by law or regulation (including the City Code), in which case it will, to the extent permitted, notify the other party of the requirement to disclose as soon as possible and (where possible) prior to the disclosure being made so that the parties may jointly agree both the manner of making and the content of any disclosure or announcement before its release or publication; or
  - (E) as they agree,

and provided that nothing in this letter will restrict or prevent: (i) BG either from making a public announcement under Rule 2.4 or Rule 2.7 of the City Code in relation to any of the matters referred to in limb (B) of the definition of Confidential Information or from making any public announcement as referred to in Rule 2.3(d) of the City Code; (ii) if permitted by paragraphs 8 and 9 of this letter, Shell from making a public announcement

under Rule 2.7 of the City Code in relation to any of the matters referred to in limb (B) of the definition of Confidential Information; or (iii) on and from (but not before) 07.00am (London time) on 13 April 2015 (or such later time and date as Shell and BG may agree in writing), Shell from making a public announcement in relation to any of the matters referred to in limb (B) of the definition of Confidential Information.

*Return or destruction of Confidential Information*

4. Each party will keep a record of any Confidential Information provided to it or its Connected Persons and shall, and procure that its Connected Persons shall, within 14 days of a request from the other party, return or destroy all hard copies, and use its reasonable endeavours to delete all electronic copies, of documents or other materials containing or reflecting any Confidential Information provided to it by or on behalf of the other party in connection with the Proposed Transaction and, if requested, shall provide a certificate addressed to the other party and signed by a duly authorised representative confirming compliance with this paragraph, provided that:
- (A) each party and its Connected Persons will be entitled to retain such copies of information as is required by law or the rules of any applicable governmental, regulatory or supervisory authority to which it is subject or which is contained in any board or committee papers; and
  - (B) neither party nor its Connected Persons shall be required to delete electronic records backed up to its servers in accordance with its usual practices.

*Authorised contact*

5. Each party will only make contact in connection with the Proposed Transaction with the directors of the other party or such other persons who may from time to time be notified by the other party in writing.
6. Each of the parties will not, and will procure that none of its subsidiary undertakings will, directly or indirectly, for a period which is the earlier of (i) 12 months from the date of this letter, and (ii) 6 months on and from the date on which the discussions between the parties in relation to the Proposed Transaction end, without the prior written consent of the other party, employ or offer to employ, or solicit for employment or endeavour to entice away, any individual who is at any time during that 12 month period an officer of, or an employee holding an executive or senior management position with, the other party or any of its group undertakings with whom that party has come into contact in connection with the Proposed Transaction, provided that:
- (A) the placing of a general advertisement of a post and the employment of any persons pursuant to any such advertisement;
  - (B) the employment of any persons who approach a party or any member of its group for employment or retention without prior solicitation by the party, and

- (C) the employment of any persons as the result of the use of an independent employment agency (so long as the agency was not directed to solicit such persons),

shall not amount to a breach of this paragraph 6.

*Standstill*

7. Shell represents and warrants as at the date of this letter that so far as the members of the Shell deal team (as at the date of this letter) relating to the Proposed Transaction are aware, neither it, nor any of its subsidiary undertakings, has an interest in any shares or other securities of BG except for (i) the SAMCO Funds, (ii) the Nigeria Fund, and (iii) any Third Party Pension Funds (each as defined in the Appendix).
8. Shell agrees that, without the prior written consent of BG, for a period of twelve months from the date of this letter, it will not, and will procure that no person acting in concert with it will, directly or indirectly:
- (A) acquire or offer to acquire, or enter into any agreement, arrangement or understanding (whether legally binding or not) to acquire or offer to acquire any interest in the shares or securities (together "securities") of BG or enter into any agreement, arrangement or understanding (whether or not legally binding) or do or omit to do any act as a result of which it or any other person will or may acquire an interest in any shares or other securities of BG, in each case other than securities issued pursuant to any rights granted in relation to securities of BG held by such person on the date of this letter;
  - (B) announce or make, or cause any other person to announce or make, a firm intention to make an offer to acquire BG in accordance with Rule 2.7 of the City Code (except as provided by paragraph 9(A) below);
  - (C) enter into any agreement, arrangement or understanding (whether or not legally binding) or do or omit to do any act as a result of which it or any person may become obliged to announce or make an offer to acquire BG pursuant to Rule 9 of the City Code;
  - (D) enter into any agreement, arrangement or understanding (whether legally binding or not) which imposes (directly or indirectly) obligations or restrictions on any party to such agreement, arrangement or understanding with respect to the exercise of voting rights attaching to any securities of BG;
  - (E) enter into any agreement, arrangement or understanding (whether legally binding or not) with any person relating to or in connection with the making by such person of any offer, invitation or solicitation for any securities of BG;
  - (F) except in relation to any meeting of the shareholders of BG which relates to any transaction, the consummation of which could be reasonably expected to prevent, impede, interfere with or delay the Proposed Transaction which does not involve Shell (or a party acting in concert with Shell), whether implemented in

a single transaction or a series of transactions and whether conditional or otherwise, solicit, or make or participate in any solicitation of, or seek to persuade, shareholders of BG to vote in a particular manner at any meeting of the shareholders of BG, or requisition or join in requisitioning any general meeting of BG; or

- (G) announce any binding proposal to do any of the prohibited matters referred to in paragraphs (A) to (F) above,

and, for these purposes, "acting in concert" means actively co-operating pursuant to an agreement or understanding (whether formal or informal) in the acquisition (directly or indirectly) of securities of BG to obtain or consolidate control of BG (control having the meaning given to it by the City Code).

9. The restrictions contained in paragraph 8 above will not apply:

- (A) following an announcement by Shell or one of its subsidiary undertakings of a firm intention to make a recommended offer for BG in accordance with Rule 2.7 of the City Code;
- (B) following an announcement under Rule 2.7 of the City Code that a third party which is not acting in concert with Shell intends to make an offer (as defined in the City Code) for shares in BG;
- (C) if a third party acquires an interest (including by taking a long position under a total return swap or other derivative or under an option) in shares carrying 30% or more of the voting rights of BG; or
- (D) if BG announces a proposal to seek shareholders' approval for a third party to avoid making an offer which would otherwise be required under Rule 9 of the City Code.

10. For the avoidance of doubt, the restrictions contained in paragraph 8 above will not prohibit any person who may be deemed to be acting in concert with Shell from:

- (A) acquiring interests in the securities of BG prior to the date on which the Proposed Transaction (or its possibility) is publicly announced by one or both parties, provided that (at the time of acquisition) they had no knowledge of the Proposed Transaction; or
- (B) at any time, acquiring interests in securities as part of ordinary course index tracking activities or normal activity as a fund manager, market-maker, broker or provider of trustee or nominee services, or in circumstances where the decision to acquire the interests was taken by a discretionary fund manager who had no knowledge of the Proposed Transaction.

*No offer, no representation etc*

11. Each party agrees that, save in the case of fraud or wilful concealment:

- (A) all information, whether containing Confidential Information or otherwise, made available to it, in connection with the Proposed Transaction, will not constitute an offer, inducement or invitation by, or on behalf of, such party or parties, nor will such information form the basis of, or any representation in relation to, any contract;
- (B) such information does not purport to be all inclusive and that no representation, undertaking or warranty is made or given by or on behalf of the other party or any of its Connected Persons (or shall be implied) as to the accuracy, reliability, completeness or reasonableness of such information; and
- (C) that neither party nor any of its Connected Persons will have any liability to the other party or any other person resulting from the use of or provision of any information by the other party or any of its Connected Persons or any other person or be under any obligation to provide further information, to update the Confidential Information or to correct any inaccuracies, or to enter into or continue discussions or negotiations in respect of the Proposed Transaction.

If the Proposed Transaction completes, the terms of this paragraph 11 may not be varied or terminated following such completion without the prior written consent of each party's Connected Persons.

*General*

- 12. Each of the parties acknowledges that the Proposed Transaction and the Confidential Information may constitute unpublished price-sensitive information and that its use or disclosure in breach of this letter, or any dealing in the shares of either party, may constitute insider dealing or market abuse under applicable law.
- 13. The obligations under this letter will expire two years from the date of this letter except where expressly provided otherwise in the terms of this letter. Such expiry shall be without prejudice to any rights and liabilities which have accrued before termination or under any of paragraphs 11 to 18 (inclusive).
- 14. Each party acknowledges that damages alone would not be an adequate remedy for any breach of this letter and that a person bringing a claim under this letter may be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach.
- 15. No failure or delay by the parties in exercising any right or remedy under this letter shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time. No single or partial exercise of any such right or remedy shall prevent any further exercise of it or the exercise of any other remedy. The rights and remedies of the parties under this letter are cumulative and not exclusive of any rights or remedies provided by law.
- 16. If any provision of this letter is held to be invalid or unenforceable, that provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this letter, but without invalidating any of the remaining provisions.

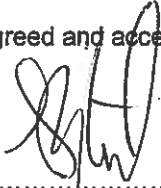
17. Each of the parties' respective Connected Persons shall have the right under the Contracts (Rights of Third Parties) Act 1999 to enforce paragraph 11 of this letter, provided that, save as provided in paragraph 11, the parties to this letter may by agreement terminate or rescind or vary it in any way without the consent of any Connected Persons. Save as otherwise provided in this paragraph 17, a person who is not a party to this letter shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
18. This letter and any obligations in connection with this letter, contractual or non-contractual, shall be governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

Please countersign this letter to confirm your acceptance of its terms.

Yours faithfully

  
for and on behalf of  
Royal Dutch Shell plc

Agreed and accepted this 31st day of March 2015

A handwritten signature in black ink, appearing to be 'J. H.', written over a dotted line.

.....  
for and on behalf of  
BG Group plc



## Appendix

For the purposes of this letter:

- (i) **"SAMCO Funds"** means the pension funds that use the asset and fund management services of Shell Asset Management Company B.V. and Shell Asset Management Company B.V. itself (together, **"SAMCO"**);
- (ii) **"Nigeria Fund"** means the pension fund sponsored by Shell and its associated companies (being the entities within the Shell group in which Shell has, directly or indirectly, 20 per cent. or more of the equity share capital (**"Associated Companies"**)) which provide pension benefits on a defined benefit basis and which are not managed under an agreement or arrangement with an independent third party which gives such third party absolute discretion regarding dealing, voting and offer acceptable decisions relating to the fund; and
- (iii) **"Third Party Pension Funds"** means pension funds sponsored by Shell and its Associated Companies (except funds in respect of which SAMCO is the fiduciary manager and the Nigeria Fund) which provide pension benefits on a defined benefit basis and which are managed under arrangements with independent third parties which give such third parties absolute discretion regarding dealing, voting and offer acceptance decisions relating to the fund.

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