Remuneration
November 2018 Shareholder Engagement

Royal Dutch Shell plc

Gerard Kleisterlee
Chair of the Remuneration Committee

Definitions & cautionary note

Operating costs are defined as underlying operating expenses, which are operating expenses less identified items. Organic free cash flow is defined as free cash flow excluding inorganic capital investment and divestment proceeds. ROACE (Return on Average Capital Employed) is defined as the sum of CCS earnings attributable to shareholders excluding identified items for the current and previous three quarters, as a percentage of the average capital employed for the same period. Capital employed consists of total equity, current debt and non-current debt. Capital investment comprises capital expenditure, exploration expense excluding well write-offs, new investments in joint ventures and associates, new finance leases and investments in Integrated Gas, Upstream and Downstream equity securities, all of which on an accruals basis. Divestments comprises proceeds from sale of property, plant and equipment and businesses, joint ventures and associates, and other Integrated Gas, Upstream and Downstream investments, reported in "Cash flow from investing activities (CFFI)", adjusted onto an accruals basis and for any share consideration received or contingent consideration recognised upon divestment, as well as proceeds from the sale of interests in entities while retaining control (for example, proceeds from sale of interest in Shell Midstream Partners, L.P.). This presentation contains the following forward-looking Non-GAAP measures: Organic Free Cash Flow, Free Cash Flow, Capital Investment, CCS Earnings less identified items, Operating Expenses, ROACE, Capital Employed and Divestments. We are unable to provide a reconciliation of the above forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile the above Non-GAAP measure to the most comparable GAAP financial measure is dependent on future events some which are outside the control of the company, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Royal Dutch Shell plc's financial statements. The forward-looking break-even prices (BEP) presented are calculated based on all forward-looking costs associated from FID. Accordingly, this typically excludes exploration and appraisal costs, lease bonuses, exploration seismic and exploration team overhead costs. The forward-looking breakeven price is calculated based on our estimate of resources volumes that are currently classified as 2p and 2c under the Society of Petroleum Engineers' Resource Classification System. As the projects are expected to be multi-decade producing the per barrel projection will not be reflected either in earnings or cash flow in the next five years. The financial measures provided by strategic themes represent a notional allocation of ROACE, capital employed, capital investment, free cash flow, organic free cash flow and underlying operating expenses of Shell's strategic themes. Shell's segment reporting under IFRS 8 remains Integrated Gas, Upstream, Downstream and Corporate.

Also, in this presentation we may refer to "Shell's Net Carbon Footprint", which includes Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions but, to support society in achieving the Paris Agreement goals, we aim to help and influence such suppliers and consumers to likewise lower their emissions. The use of the terminology "Shell's Net Carbon Footprint" is for convenience only and not intended to suggest these emissions are those of Shell or its subsidiaries.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to Royal Dutch Shell plc and subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. ''Subsidiaries'', "Shell subsidiaries" and "Shell companies" as used in this presentation refer to entities over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as "joint ventures" and "joint operations", respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as "associates". The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

This presentation contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "aim", "ambition", ''anticipate'', ''believe'', ''could'', ''estimate'', ''expect'', ''goals'', ''intend'', ''may'', ''objectives'', ''outlook'', ''plan'', ''probably'', ''project'', ''risks'', "schedule", ''seek'', ''should'', ''target'', ''will'' and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell's 20-F for the year ended December 31, 2017 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, November 19, 2018. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation. We may have used certain terms, such as resources, in this presentation that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.

Agenda

Themes for today

- Our approach to remuneration and its alignment to our strategy
- 2018 AGM vote on remuneration report
- Energy transition in remuneration and the 2020 policy review
- Update on 2018 pay for performance

Alignment with strategy

Strategy	How the strategy links to the CEO's variable pay elements	
Thrive in the energy transition	**CEO INDIVIDUAL PERFORMANCE**	The vision for thriving in the energy transition is led by the CEO and embedded in his individual performance targets.
World-class investment case	**LONG-TERM INCENTIVE PLAN**	World-class investment metrics such as cash generation and capital discipline, as well as value created for shareholders, are included in the LTIP.
Strong licence to operate	**ANNUAL BONUS**	Licence to operate measures such as operational excellence and sustainable development are included in the scorecard. The measures are key building blocks to being a world-class investment case and support our journey to thrive in energy transition.

Target CEO pay mix

Fixed pay 21% | Variable pay 79%

2018 AGM voting

- **2017 AGM - Remuneration policy support: 92.3%**
- **2018 AGM Remuneration report support: 74.78%**

Directors' Remuneration Report

- The Committee was disappointed with the voting outcome on the Directors' Remuneration Report at the 2018 AGM given the strong shareholder support for the remuneration policy in 2017.
- We respect the broad range of shareholders and other stakeholders and noted the evolution of views from ISS on remuneration structure and concerns around disclosures in respect of the Pakistan incident.
- Considering circumstances outside of management control, there was no impact on the Directors' 2017 remuneration. For further information relating to this incident, please review our detailed disclosure.
- We will consider future disclosures, to ensure the thoughtful work undertaken by the Board is more appropriately reflected in the Annual Report.
- Remuneration structure will be part of the policy review (to be voted on in May 2020) and we will continue engagements with shareholders in the coming months.

Remuneration timeline

Engagements

Nov 2016	Shareholder engagement on remuneration policy
May 2017	Shareholder vote on remuneration policy (92.3% support)
March 2018	Remuneration report published
May 2018	Shareholder vote on 2017 remuneration report (74.78%)
Summer 2018	Proxy agency engagement
Nov 2018	Shareholder engagement
Winter 2018	Proxy agency engagement
2018 - 2019	Ongoing remuneration policy review and shareholder/ proxy engagement
May 2020	Shareholder vote on remuneration policy

Policy review

- **2017 AGM - Remuneration policy support: 92.3%**
- **2018 AGM Remuneration report support: 74.78%**

Current approach to energy transition and remuneration

Resilient and relevant portfolio positioned for the long term

OPERATIONAL GHG MANAGEMENT	FINANCIAL RESILIENCE OF PORTFOLIO TO ENERGY TRANSITION	LONG-TERM GHG-MANAGEMENT

Time →

OPERATIONAL GHG MANAGEMENT

GHG measures focused on areas where we can take operational action:

- Refining, Chemicals, Upstream and Integrated Gas intensity (close to 90% of the operated portfolio emissions)
- **Announced September 2018: Methane target** – reflected in GHG intensity targets and performance

FINANCIAL RESILIENCE OF PORTFOLIO TO ENERGY TRANSITION

Bonus – successful delivery of operational excellence:

- 1-year performance period
- 50% delivered in shares and subject to 3-year holding period

LTIP – world-class investment financial metrics:

- 3-year performance period
- 3-year holding period

High shareholding requirements

LONG-TERM GHG-MANAGEMENT

The vision for Thriving in the Energy Transition are included in the CEO and CFO personal performance goals:

- Operationalise Net Carbon Footprint ambition
- Implement strategy for the New Energies business
- Progress climate change-related disclosures

Net Carbon Footprint ambition:

- Around 50% reduction of Net Carbon Footprint of our energy products by 2050, around 20% by 2035 (gCO_2e/MJ), in line with society
- Reporting and evaluation evolving

Remuneration policy review

Energy transition

- Thriving in the energy transition is a core part of our strategy and in 2017 we set out our industry leading Net Carbon Footprint (NCF) ambition.
- We have engaged extensively with shareholders on energy transition and recognise that a number have highlighted their desire to see progress against our ambition linked to long-term remuneration.
- **In May 2020, we will ask shareholders to support a remuneration policy that incorporates energy transition metrics in long-term remuneration arrangements.**
- We are working on the detail of the plan design and would like your feedback on some key elements.
- We will continue to consult with shareholders in the coming months to ensure that the approach we propose balances the varying interests of our diverse shareholder base.

Remuneration policy review

Energy transition

- **Our strategic ambitions are to be a World Class Investment Case, as we Thrive in the Energy Transition, with a Strong Societal Licence to Operate. Achieving our Net Carbon Footprint Ambition is a different type of objective to the financial measures within our Long-Term Incentive Plan.**
  - Achieving our NCF Ambition is a long-term journey. We can have a short-term target, however it is challenging to set and calibrate targets in the medium-term because we are in uncharted territory.
  - We know that achieving the NCF ambition is not a linear journey. Our NCF will fluctuate up and down on its overall downward trajectory. We will need to try new things, experiment and adjust for scalability when we see the effects.
  - We are at the beginning of this journey that will extend beyond the tenure of the current management team and many of the teams that follow.
  - We also know we cannot do this alone. We need Governments and society to move as well if the goals of the Paris Agreement are to be achieved. But we can play our part.
- **Incorporating this in remuneration is therefore not straightforward but we are committed to doing this. Therefore, in developing a potential approach, we would like to get your views on some of the dilemmas we have been reflecting on.**

Remuneration policy review

Energy transition

- **What is the appropriate remuneration vehicle at this point in the journey?**
  - A separate and distinct energy transition related plan allows a different timeframe and a different perspective on how performance is measured. However, we are mindful of the complexity a dual-plan structure would bring.
  - We are also very early in our journey therefore there is merit in incorporating this within our existing structures while we learn. Not least because this also ensures we always have integration with the World Class Investment Case metrics that are so important to our strategy and many shareholders.
- **How do we set a balance of measures in a meaningful way?**
  - We know that NCF reduction is not linear and the decisions we take will have long-term impact. We want to recognise quantitative reduction in NCF, however as this is a multi-year journey, we also want to recognise the decisions made today that will have a quantifiable impact in the future.
  - The range of factors that will result in an NCF reduction are diverse and not the same as financial targets. How do we set a basket of measures, targets and ranges in a meaningful but simple way?
- **How much do we allocate to energy transition?**
  - We want to ensure the quantum is meaningful but we also recognise that we are at the very early stage of the journey. We are mindful of the dilemmas for the priorities of our very diverse shareholder base.

Remuneration policy – May 2020

Areas for Review

Energy transition
- Remuneration vehicle
- Appropriate metric
- Time horizon

Attract and retain
- Pay mix
- Target levels
- Comparator group

Pay for performance
- Bonus: structure, measures and targets (e.g. addressing bonus asymmetry)
- LTIP: length, vesting schedule and metrics
- Alternative structures

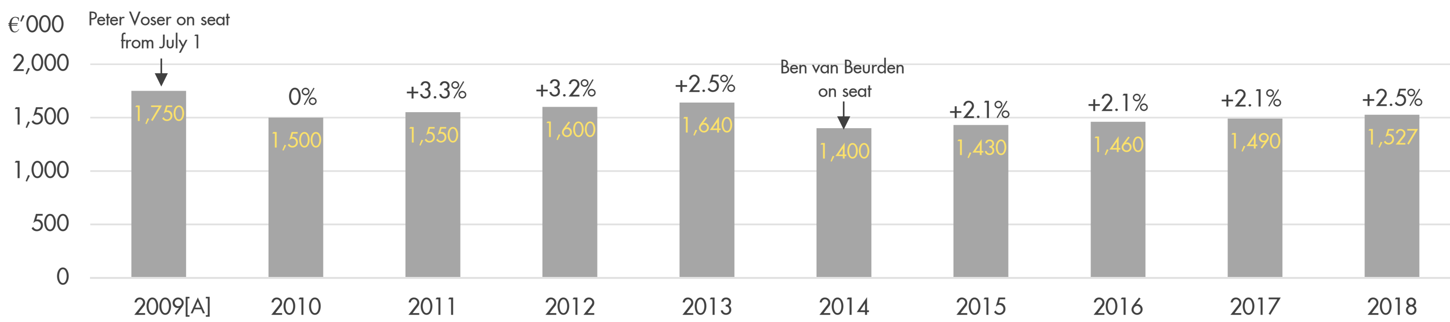
Governance
- Malus and clawback
- Shareholding requirements

Strategy drives pay, pay supports strategy

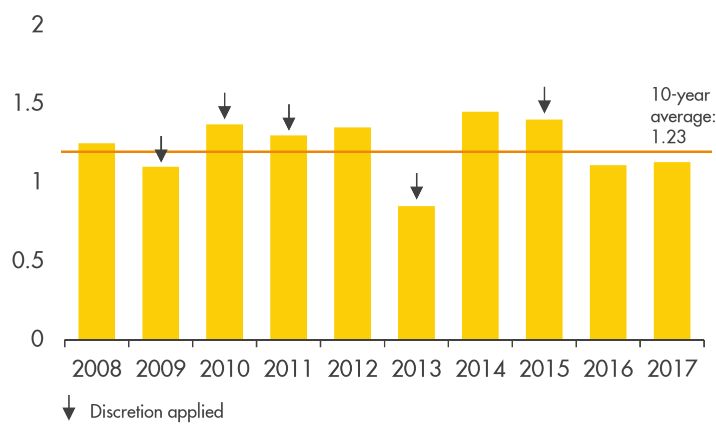
Historical Pay outcomes

- Base salary developed at consistent pace
- Scorecard on average above target
- LTIP vesting on average below target

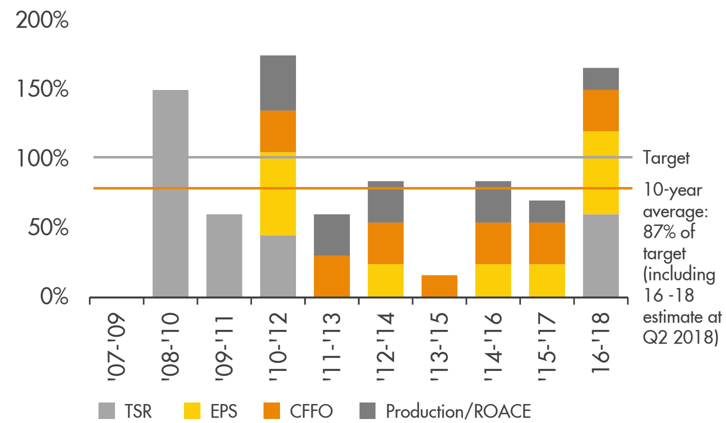
Base salary



Annual Bonus Scorecard outcome



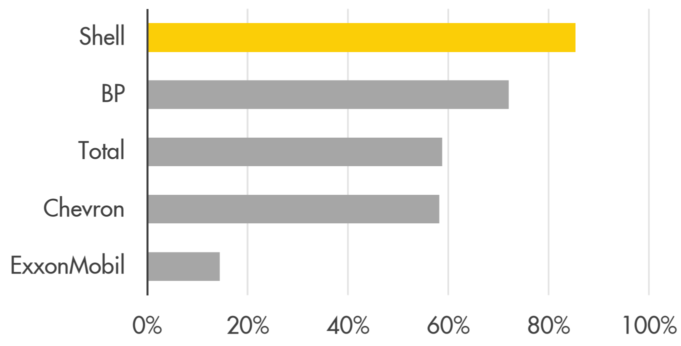
LTIP Vesting at Q2 2018



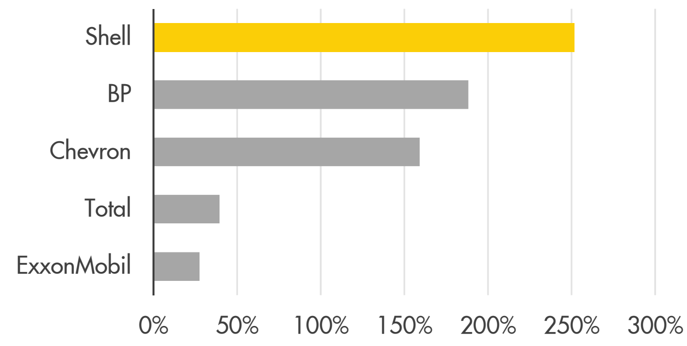
[A] Peter Voser on seat from July 1. Figure shown is the proration of salary for Jeroen van der Veer (€2 mln) and Peter Voser (€1.5 mln)

2016 LTIP – at Q2 2018

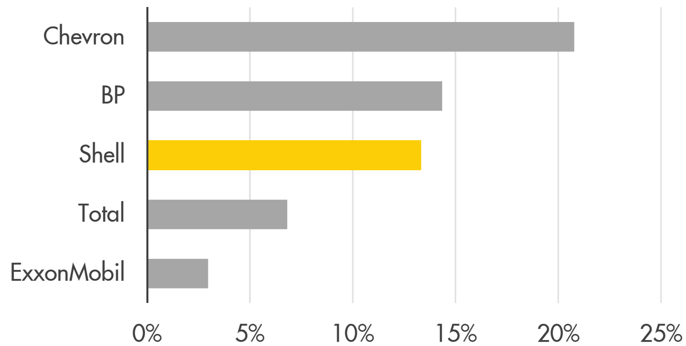
Total shareholder return [A]



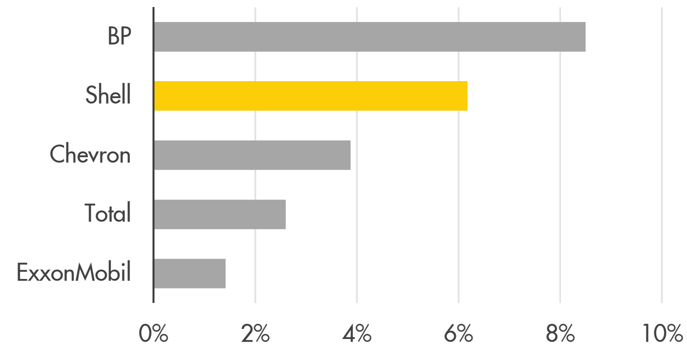
Earnings per share growth [B]



Cash flow from operations growth



ROACE growth



World class investment case: metrics above target at Q2 2018

[A] TSR measured from 1 January 2016 to 30 June 2018 using a share price averaged over 90 days (45 days either side of the relevant date).

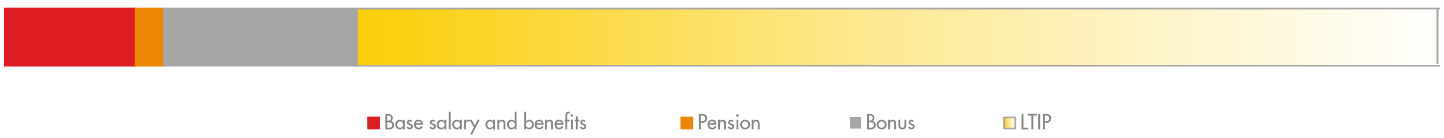
[B] Calculated on Current Cost of Supplies (CCS) basis, and EPS replaced by FCF for awards granted from 2017 onwards.

LTIP measures are based on relative performance compared with the other oil majors. Growth is measured and ranked based on the data points at Q2 2018 compared with those at the beginning of the period (financial year 2015 for earnings per share growth, cash flow from operations growth and ROACE growth) using published financial information..

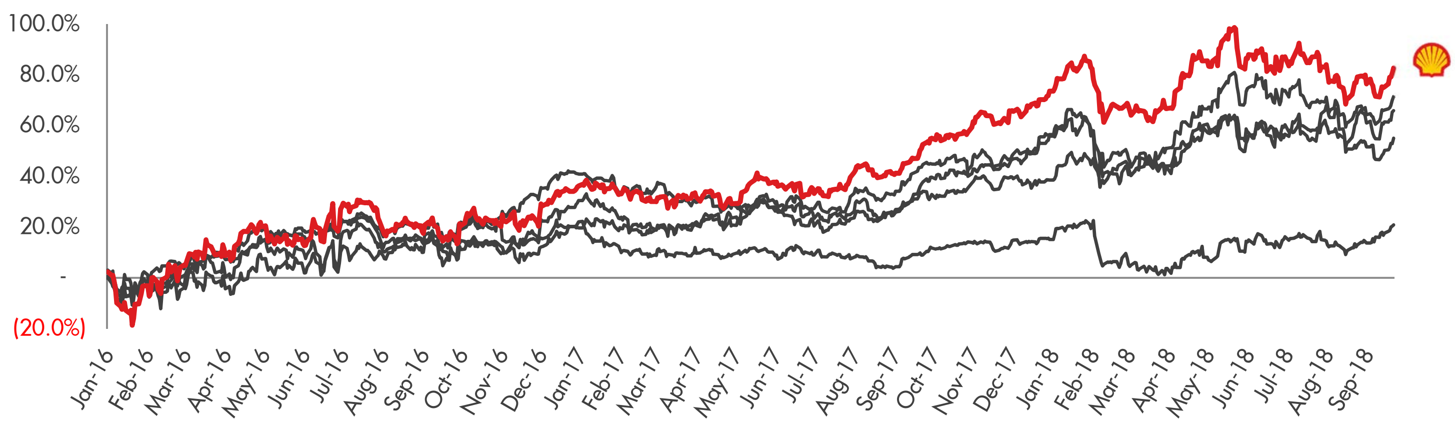
Pay for performance – potential pay outcome

- Strong performance relative to oil majors
- Share price growth and dividend payment

Estimated 2018 single figure as Q2 2018 [A]



Daily total shareholder return growth: LTIP 2016



[A] 2018 base salary of €1,527,000 plus an estimate of benefits based on 2017 actuals of €29,613. For indicative purposes, bonus shown is the target of 150 %. LTIP - performance is equal to the original grant of 236,302 shares multiplied by the Q2 2018 vesting outcome of 166%.

Upcoming REMCO milestones

- 13 December: Board engagement day
- December 2018 - March 2019:
  REMCO determines
  - 2019 salaries + LTIP grant
  - 2018 bonus
- February/March 2018: vesting of the conditional share awards made in 2016
- March 2019: Annual report and form 20-F
- April 2019: Shareholder consultations
- May 2019: AGM
- Summer 2019: ongoing policy review

Questions & Answers

Directors' remuneration policy

Short term

Fixed remuneration
- Benchmarked against 4 oil majors and 15 European companies

Annual bonus
- 50% cash
- 50% shares

- Short-term operational delivery targets
- 50% bonus in shares, subject to 3-year holding period which remains in force post-leaving

30% CFFO	**50%** Operational excellence 12.5% **Project delivery** 12.5% **Production** 12.5% **LNG liquefaction volumes** 12.5% **DS availability**
20% Sustainable development 10% **Safety** 10% **GHG**	

Long term

Long Term Incentive Plan
- World-class investment financial metrics
- 3-year performance + 3-year holding period which remains in force post-leaving

25% TSR	**25%** FCF
25% ROACE growth	**25%** CFFO growth

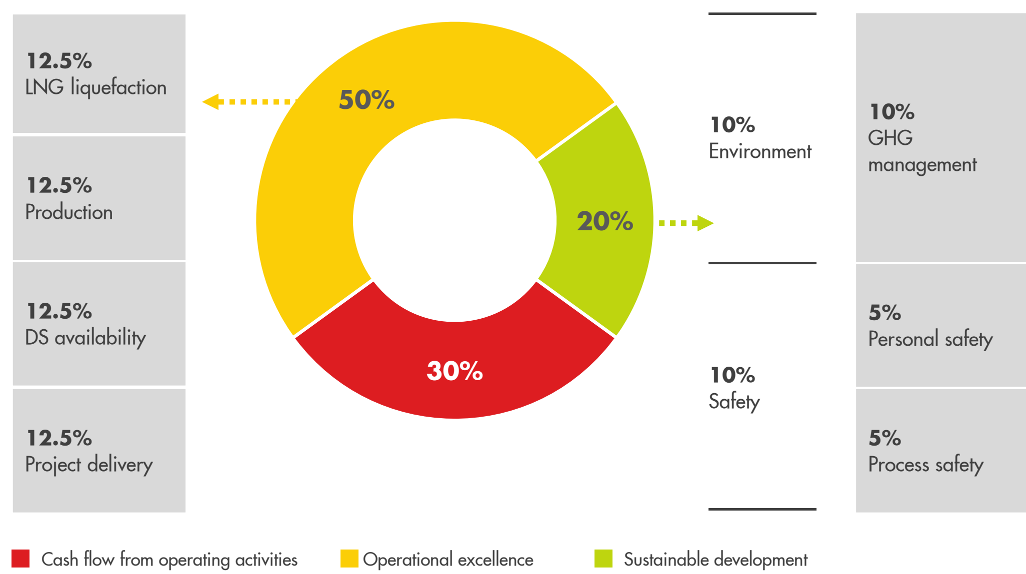
Shareholding & holding periods
- Shareholding requirement: CEO: 7 x base salary; CFO: 4 x base salary

Malus & clawback
- Malus and clawback provision apply to bonus and LTIP

Annual bonus

Rewards the delivery of short-term operational targets as well as individual contribution to Shell

2018



10% GHG management [A]	■ Refining GHG intensity in tonne CO_2e per UEDC™ [B] ■ Chemicals GHG intensity in tonne CO_2 equivalent per tonne of steam cracker high value chemicals production ■ Upstream and Integrated Gas GHG intensity in million tonnes CO_2e

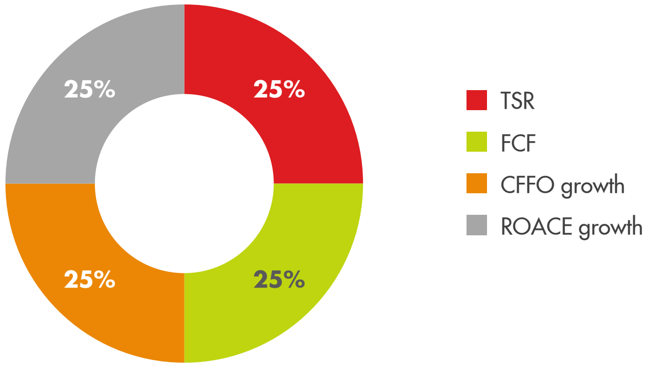
[A] GHG metrics have evolved in 2018 [B] Solomon's utilised equivalent distillation capacity.

Long term incentive plan

Rewards longer-term value creation linked to Shell's strategy

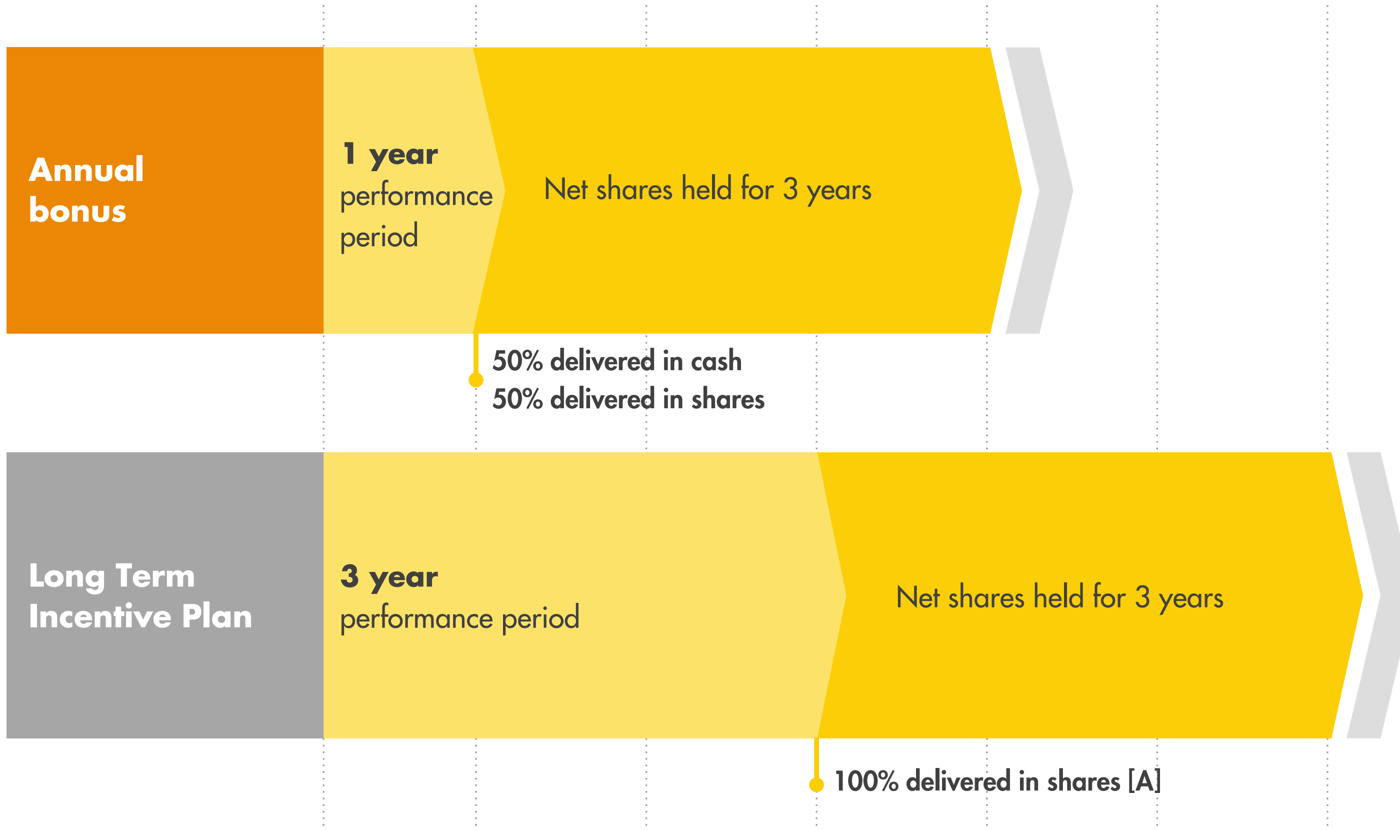
- **ROACE + FCF emphasised in strategy**
- **Key drivers for TSR for world class investment case**

2018



- FCF is an absolute metric, others are relative to performance of industry peers (Exxon, Chevron, Total, BP)

Shareholder alignment + longer time horizons



3 year bonus and LTIP holding periods

Performance period followed by a 3-year holding period that remains in force post-leaving

[A] Vesting subject to performance conditions.

2017 CEO outcome

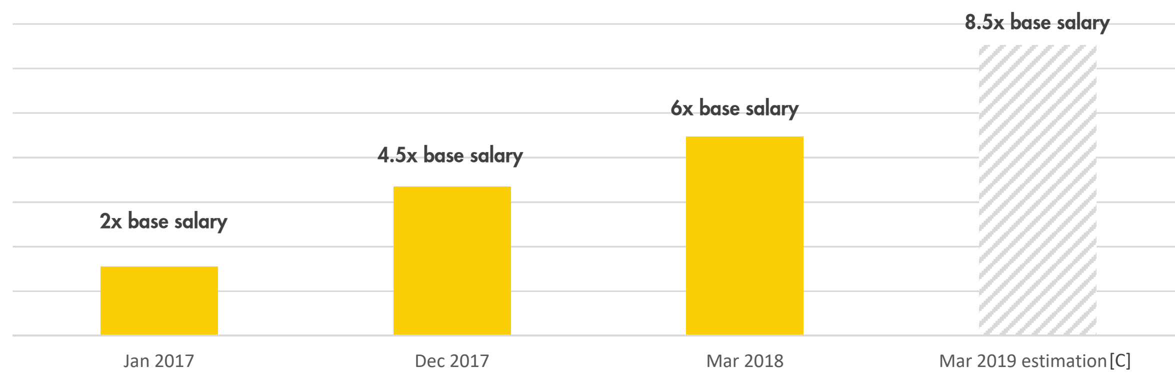
- **Overall outcomes below target**
- **Increased shareholder alignment**

Total remuneration including pension

Fixed remuneration						=	€1,520,000 [A]
Annual bonus	Target bonus: €1,490,000 (base salary) x 150% = € 2,235,000	×	2017 scorecard result = 1.13	×	Individual performance factor = 1.2	=	€3,000,000 [B] (201% of base salary)
LTIP	Number of LTIP shares awarded in 2015 180,575 RDSA	×	Vesting result 70%			=	€4,021,000 (70% of target plus dividends)
Pension	Pension: 368,000					=	€ 368,000
						Single Total Figure	**€ 8,909,000**

Shareholding

Shareholding: Movement Jan 2017-Mar 2018



[A] Fixed remuneration includes base salary and taxable benefits. [B] The full value of the bonus, comprising both the cash and bonus delivered in shares (subject to a 3-year holding period). [C] Based on target bonus and LTIP vesting.

Single total figure of remuneration for Executive Directors

(€ Thousands)	Ben van Beurden		Jessica Uhl [A]
	2017	**2016**	**2017**
Salaries	1,490	1,460	796
Taxable benefits	30	22	44
Total fixed remuneration	**1,520**	**1,482**	**840**
Annual bonus [B]	3,000	2,400	1,050
LTIP and DBP [C]	4,021	4,381	623
Total variable remuneration	**7,021**	**6,781**	**1,673**
Total direct remuneration	**8,541**	**8,263**	**2,513**
Pension [D]	368	330	287
Tax equalisation [E]	-	-	194
Total remuneration including pension	**8,909**	**8,593**	**2,994**
in dollars	*$10,067*	*$9,515*	*$3,383*
in sterling	*£7,811*	*£7,046*	*£2,625*

[A] Jessica Uhl was appointed as an Executive Director with effect from March 9, 2017 and her remuneration for 2017 is pro-rated accordingly. [B] The full value of the bonus, comprising both the cash and bonus delivered in shares. [C] Remuneration for performance periods of more than one year, comprising the value of released LTIP awards and DBP performance matching shares (in respect of 2016). [D] The accrual for the period (net of inflation) multiplied by 20 in accordance with UK reporting regulations. [E] Includes tax equalisation of pension contributions to foreign pension plan(s), when they are taxable above a certain pensionable salary threshold or once double tax treaty exemption ceases, under Dutch law. Tax equalisation is applied for the loss of pension relief for members of a foreign pension plan(s) in their host country.

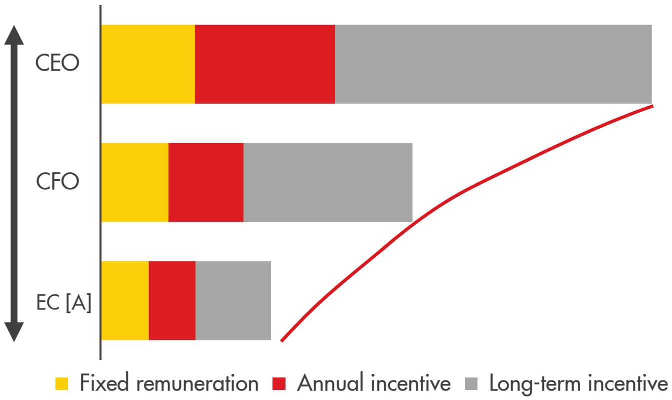
Pay levels

- Alignment: various pay ratio approaches indicate that Shell is in line with peers and FTSE 30 companies
- Consistency: jobs at all levels in Shell are benchmarked externally
- Competitiveness: packages are set in the context of the relevant market to ensure we attract and retain talent

- **Competitive in market**
- **Proportionate and consistent internally**

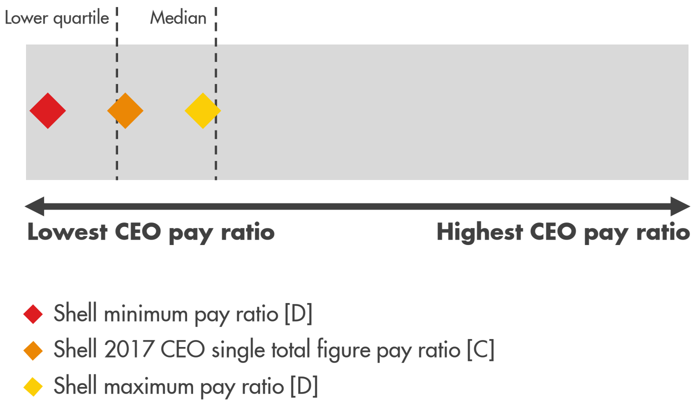
Internally proportionate

Base salary, plus on-target bonus and long-term incentive, benchmarked externally against relevant market



CEO: pay ratio

2017 FTSE 30 CEO single total figure against actual average global employee costs [B]



[A] Executive Committee excluding CEO and CFO. [B] Based on average global employment cost using employee numbers and staff costs (excluding social security costs) as disclosed in the financial statements (n.b. this is not a CEO pay ratio defined under any UK requirement). [C] See "Single total figure of remuneration for Executive Directors' on page 101 of the 2017 Annual Report. [D] Calculated based on CEO pay scenarios as illustrated on page 114 of the Annual Report against 2017 actual average global employee costs.

2017 Annual Bonus

Measures	Weight (% of scorecard)	Target set	Result achieved	Score (0-2)
Cash flow from operating activities ($ billion) [A]	**30%**	34	36	**1.32**
Operational excellence	**50%**			**1.11**
Production (kboe/d)	12.5%	3,687	3,664	0.79
LNG liquefaction volumes (mtpa)	12.5%	32.1	33.2	2.00
Refinery and chemical plant availability (%)	12.5%	92.7	90.7	0.00
Project delivery on schedule (%)	6.25%	80	86	1.30
Project delivery on budget (%)	6.25%	100	93	2.00
Sustainable development	**20%**			**0.89**
Total recordable case frequency (injuries/million hours)	5%	0.9	0.80	1.50
Operational Tier 1&2 process safety events (number)	5%	130	166	0.00
Refining GHG intensity (tonnes CO_2 equivalent per UEDC™ [B])	4%	1.15	1.14	1.17
Chemicals GHG intensity (tonnes CO_2 equivalent per tonne production)	3%	0.45	0.46	0.80
Upstream flaring (million tonnes CO_2 equivalent)	3%	8.1	8.0	1.05
	100%			
Mathematical scorecard outcome				**1.13**
Final bonus [C]				**CEO**: € 3,000,000 (201% of base salary) **CFO**: €1,050,000 (107% of base salary)

[A] Excluding tax on divestments. [B] Solomon's Utilised Equivalent Distillation Capacity [C] Annual bonus = (base salary x target bonus % x scorecard result x individual performance factor).