



2019 Royal Dutch Shell plc  
Annual General Meeting

The Hague, The Netherlands

**Charles O. Holliday**

Chair, Royal Dutch Shell plc  
May 21, 2019

**Ben van Beurden**

Chief Executive Officer, Royal Dutch Shell plc  
May 21, 2019



**Charles O. Holliday**, born March 9, 1948. A US national, appointed Chair of the Company with effect from May 2015, having previously served as a Non-executive Director since September 2010.

He was Chief Executive Officer of DuPont from 1998 to 2009, and Chairman from 1999 to 2009. He joined DuPont in 1970 after receiving a B.S. in industrial engineering from the University of Tennessee and held various manufacturing and business assignments, including a six-year, Tokyo-based posting as President of DuPont Asia/Pacific. He has previously served as Chairman of the Bank of America Corporation, The Business Council, Catalyst, the National Academy of Engineering, the Society of Chemical Industry – American Section, the World Business Council for Sustainable Development and as a Director of Deere & Company. He is a founding member of the International Business Council. He is a Director of HCA Holdings, Inc.



**Ben van Beurden**, born April 23, 1958. A Dutch national, appointed Chief Executive Officer of the Company with effect from January 2014.

He was Downstream Director from January to September 2013. Before that, he was Executive Vice President Chemicals from 2006 to 2012. In this period, he also served on the boards of a number of leading industry associations, including the International Council of Chemicals Associations and the European Chemical Industry Council. Prior to this, he held a number of operational and commercial roles in both Upstream and Downstream, including Vice President Manufacturing Excellence. He joined Shell in 1983, after graduating with a Master's Degree in Chemical Engineering from Delft University of Technology, the Netherlands.

The following text is based on speeches delivered by Charles O. Holliday and Ben van Beurden at the Annual General Meeting of Royal Dutch Shell plc, in The Hague on May 21, 2019.

## Royal Dutch Shell plc

### Charles O. Holliday

Welcome. Your company does not have the luxury of supplying the energy needs of the growing population or reducing our environmental impact. We must do both. In the next few minutes, I will describe to you how your company will make the future by accomplishing growth and addressing environmental impact. Thank you for your interest in Shell and for being here today.

I refer you to the two reports on the screen. You can find them on our website, shell.com – under the Investors section. Decked out in our traditional red and yellow Shell colors. They are valuable resources produced for you.

They describe the strategy, operations and approach to sustainability of your company. This is the 22<sup>nd</sup> edition of the Sustainability Report and it details many examples. I think you will find it very interesting.

Just one example is India. We have been there 25 years, since reentry. And our links go back almost 100 years. The report includes a full summary of what we are doing there – including in our major technology center in Bangalore.

My subject for this morning is “Make the Future”. “Let’s Make the Future” is a Shell campaign. It seeks to capture the spirit we all need right now. The spirit needed to meet the huge challenges the world faces. At Shell, we must turn those challenges into opportunities. And we must do it the right way. We seek answers from people of all ages, nationalities and backgrounds.

So, how do we make the future? We can take inspiration from the young teams you just saw on our video, before the meeting. Those team are stepping up and playing their part in shaping the transport system of tomorrow. I have had the opportunity to attend three Shell Eco-marathons. The students are there to win – and to learn about teamwork. At the same time, they

will lend tools or parts to their competitors. They are there to learn to trust in their own abilities. To trust in their team. And to trust in others too. These students see the ultimate goal – a better world. Is this future possible? If you have doubts, just attend one of these Shell Eco-marathons. Out there on the racetrack, the future is very bright indeed.

What does it take to ensure a sustainable future for the planet? For Shell, it means providing energy for a growing population with rising living standards. It means keeping in step with society as it tackles climate change and air pollution. And Ben will talk more about how Shell is doing this. It means building trust.

Today, there are 7.6 billion people on the earth. This figure is expected to rise to 9.8 billion by the middle of the century. To give you a sense of the world’s progress, from 1990 to 2010, 1.8 billion people gained access to electricity. But during this same period, the world population grew by 1.6 billion. The world is making progress, but it is not enough. For instance, in 2010, 41% of the world still cooked using solid fuels that pose a serious health risk.

Our customers and other stakeholders expect Shell to meet the world’s growing energy needs in a sustainable way. As a Board, we are proud of how Ben and his team are doing this. We are proud of the leadership and progress they show. I will say it again. Shell must continue to meet growing demand, and do this in a sustainable way.

I had the honor to serve the UN during the appointment of the former Secretary-General, Ban Ki-moon. In 2012, he launched the Sustainable Energy for All initiative. And this is what he said: “Energy is the golden thread that connects economic growth, social equity and environmental sustainability.” As a boy growing up in Korea, the Secretary-General studied at night by a dim oil lamp. He did not have electrical power in his home. The golden thread is a great way to think about energy. We must meet the world’s energy needs in a sustainable way. And we must be trusted to do this.

So how do we do this in practice? Your company has three strategic ambitions that guide us in making the future. First, we want to be a world-class investment for you, the shareholders. As our shareholders, you deserve the returns to fund a retirement, educate your children or do whatever you want to do in life. Ben will say more about this strategic ambition shortly.

Second, we want to thrive through this period of huge change in the energy system. This period we call “the energy transition”. And finally, we want to keep our strong licence to operate. Our strong, societal licence.

Trust is vital to all three ambitions, especially our licence to operate. Because we cannot know what the future holds. But we know that whatever it holds, we will need the trust of you, our shareholders, of our partners, whether in business or government, and, of course, of our customers.

We cannot know what the future holds – and technology is a very good example of this. Let’s look back at previous energy transitions. In the early 1800s, most of the world’s energy came from burning wood and other biomass. But in the springs of Pennsylvania, USA, oil was bubbling to the surface. The local residents decided to bottle it and sell it as medicine. The people of the day could not see the potential of crude oil. And I am sure it is the same today. There are energy sources in the world that have yet to reveal their potential.

When Henry Ford was developing his first engine, he designed it to run on gasoline or ethanol. That was in 1908. In fact, in 1925, Ford declared that ethanol was the fuel of the future. Perhaps he was right. Just a century too early. My point is energy transitions take time. They are uncertain. They require trial and error. Any company navigating one, as we are today, needs trust. You have just seen a fine example of truck from the past – the Ford Model T. Now let me show you what tomorrow’s trucks might look like.

This is a picture of a prototype truck called Starship that Shell Lubricants developed with the AirFlow Truck Company. On a run from the east coast to the west coast of the USA, its freight tonne efficiency was 248% better than the average truck on the US roads.

Don’t worry, we are not getting into the truck business. But I wanted to show it to you, because just like the students on the racetrack, Starship was about working with others, in trust, to see what is possible. Turning the challenge of increasing energy demand, into the opportunity of innovation. Finding ways to be more efficient, to contribute towards a more sustainable future.

This is one way Shell intends to thrive through the energy transition. But it is not just about working with others to push boundaries. If we are to rise to the

urgent challenge before us, we must innovate faster. And we must commercialize technology faster. We must, literally, make the future.

Let me share a few ways Shell is doing this: A catalyst is a material that increases the rate of a chemical reaction. Shell develops and manufactures catalysts for our own use and for sale to others. In fact, we are a leader in this field, and have about 200 people working to discover and develop catalysts. Historically, it has taken on average 7 years to take a new catalyst from discovery to commercialisation. Shell now does this in 3 years.

Another example is our use of artificial intelligence. We first used the so-called “deep learning algorithms” to drill wells last summer, in the Permian Basin, USA. Our goal was to improve our drilling effectiveness. By November last year, we were actively using this technology to a commercial standard. That is a step-change in the speed of deployment.

My third example is unmanned ships. These are remote-controlled or self-steering, between 1 to 24 meters in length and we use them to survey the seabed or inspect our assets. And, we can use multiple unmanned ships at the same time to speed up our ability to develop infrastructure. We first deployed them in Canada in March last year – and see great potential for them. We have used them multiple times, reducing the average job from 120 days to 30 days at a lower cost and in greater safety.

This fast commercialisation is another way that Shell intends to thrive in the energy transition. Technology will help us to meet our ambitions, but, as I have said, we cannot do it with technology alone.

We cannot deliver world-class returns and we cannot thrive in the energy transition without a strong licence to operate. This is our third strategic ambition, and it is all about trust. My Chair’s letter in the Annual Report focused on this. Because trust is critical to what we do. And we earn it, grow it and keep it in three ways. By meeting growing energy demand. By reducing our environmental impact and increasing our safety. And by doing what we say we will and delivering on our ambitions. Whether that is in our technology center in India, on the roads of the USA, or right here, today with you.

Your Board of Directors are keenly aware of the need to build your trust. And we want you to trust us when

we say this. Shell is doing its part to make the future. And will turn challenges into opportunities.

Let me now turn over to Ben. Thank you.

## Ben van Beurden

Thank you Chad. I would like to offer all of you my personal warm welcome to today's AGM.

As you know, our strategic ambitions are to deliver a world-class investment case, to thrive in the energy transition, and to maintain a strong societal licence to operate. Chad has just given you some insight into our approach on maintaining your company's strong societal licence to operate so I will concentrate on the other two strategic ambitions.

In 2018, we had good performance from all our businesses and we continue to transform Shell into a simpler company that can deliver higher returns. We delivered almost \$31 billion in organic free cash flow we paid an all-cash dividend. We covered interest expense we reduced gearing we bought back shares and we completed our \$30 billion divestment programme even as we maintained our capital discipline. We made commitments to you, our shareholders, and we have shown that we are a company that delivers on our commitments. And our progress towards a world-class investment case is running alongside progress towards thriving in the energy transition and maintaining a strong societal licence to operate.

Many of you are already aware of our recent commitment to set short-term targets to reduce the Net Carbon Footprint of the energy products we sell. Many of you know about the intensity targets we now have for methane emissions to maintain methane emissions intensity below 0.2% by 2025. These are examples of your company showing leadership behaving as a responsible company and acting to adapt to changing customer needs as the global energy transition unfolds towards a lower-carbon future. I will give you more detail in the next few minutes. But let me start with a summary of our 2018 financial highlights.

It will not have escaped your attention, of course, that 2018 was a year of oil price volatility. In spite of this we saw all of our businesses deliver. That delivery translated to current cost of supply earnings, excluding identified items, of over \$21 billion. We delivered free cash flow of more than \$39 billion and ROACE as per our revised definition for the full year was 8.7%. We

also continued to move gearing down. We declared dividends of almost \$16 billion in 2018 and, as you are aware, we paid them fully in cash. And we bought back some \$4.5 billion worth of shares as part of our \$25 billion buyback programme. This is delivery.

I would like to reassure you at this point that our cash priorities have not changed. We remain disciplined with our cash allocation. Reducing our net debt remains our first priority and ongoing divestment proceeds will continue to help achieve this. We want to continue to strengthen our balance sheet with AA-equivalent credit metrics. Then, with our cash flow from our operations we will fund our capital programme, our dividend payments and interest expense. Surplus cash will be used to fund our buyback programme and reduce debt further. This is what we have been doing and what we will continue to do.

The success of our approach can be seen in the material improvement in your company's cashflow generation. For 2018, we were able to deliver free cash flow of around \$39 billion. Of this, \$31 billion was organic free cash flow, which excludes the effects of divestments and acquisitions. And, based on our outlook, we believe we have the free cash flow to continue this track record of delivery. But before I go further I must emphasise, as I always do, that this delivery is built upon something that is fundamental to the success of your company the foundations of any success. And that is our performance on health, safety, security and the environment.

Safety is critical in order for us to achieve our strategic ambitions. We must all be safe if Shell is to be a world-class investment case. We must all be safe if Shell is to thrive in the energy transition. And we must all be safe, if Shell is to maintain its societal licence to operate. I regret to report that our HSSE performance was mixed in 2018. There is more work to be done. Sadly, two of our contractor colleagues died during 2018. No loss of life is ever acceptable and we must ensure that such deaths do not happen in the future. The long-term trend still shows improvement. But slipping backwards in 2018 just emphasises how hard-won these improvements have been.

In other areas, our HSSE performance was more encouraging. For example, process safety was an area of improvement. I am glad to report that we achieved our best year ever. While we strive to prevent incidents, when they do occur we must learn from them. For certain incidents this involves deep causal

and reflective learning events across the organisations, including at the Executive Committee. Our collective learning effort through 2018 identified the need to improve in a number of areas.

So we are significantly sharpening our Learning from Incidents process. We are introducing new approaches to HSSE risk assessment. We are re-assessing the exception process in our Health, Safety, Security, Environment and Social Performance, or HSSE&SP Control Framework. And we will refresh how we handle the wording of contracts. This governs which HSSE management system a contractor operates under. Last but not least, we are expecting each and every one of our staff to recommit to goal zero. To 'be goal zero' each and every day.

Now, before I move into further details about our HSSE performance in our businesses, I would like to pause a few moments to talk about last year's AGM. Representatives from the Global Union IndustriALL attended Shell's AGM in 2018, followed by letters with allegations, sometimes related to our HSSE performance and standards, pertaining to Tunisia, Brazil, Uganda, Trinidad & Tobago and Nigeria. Shell has done very thorough investigations regarding those allegations with teams from different departments, and found all these allegations to be unsubstantiated. We have responded to IndustriALL with very detailed information, and in a timely manner with country-specific outcomes of our investigations. Shell is committed to improve on service contractor management, building on the good progress made over the last few years and will continue to engage with unions on a local level.

Continuing on the topic of HSSE performance I know you will want an update on NAM, the 50:50 joint venture with Exxon Mobil here in the Netherlands. NAM is an independent venture, Shell fully understands that the earthquake situation deeply concerns local communities in Groningen. In 2018, NAM, its shareholders and the government reached an important agreement. The government together with NAM are working diligently to translate their agreement into law although we are not waiting for that process before we put the agreement into action. The Dutch Government has assumed full legal responsibility over production instruction, safety and seismicity. The Groningen partners will continue to share the costs associated with the earthquakes. And Shell Nederland expects that NAM can pay for any earthquake related costs under all scenarios.

Before we move on, I would like to acknowledge that the legal case relating to OPL245 in Nigeria is still ongoing. As this is a live case, we will not be able to take any questions on this today. However, I would like to reiterate that, based on the information available to us, including the Milan public prosecutor's file, we do not believe there is a basis to convict Shell or any of our four former employees in relation to OPL 245 and we will vigorously defend our case. We are also aware that an investigation by the Dutch Public Prosecutor, is ongoing. As appropriate, we will provide updates as this matter progresses.

I would like to move on now to give you more insight into how your company is seeking to make progress on our second strategic ambition: thriving in the energy transition to a lower-carbon future. Shell fully supports the Paris Agreement and your company's Net Carbon Footprint ambition is fully consistent with the Paris Agreement. We aim to reduce the Net Carbon Footprint of the energy products we sell by around half by 2050 and by around 20% by 2035 as an interim ambition. We will do this in line with society because both energy demand and energy supply must evolve together. No business can survive unless it sells things that people need and buy. It is about being a world-class investment also far into the future.

And I would like to give you an example of one of the business opportunities we are investing in as Shell begins its transformation. This example is also an opportunity that will help your company make progress towards its Net Carbon Footprint ambition and being a world-class investment case at the same time.

I want to set out some detail for you on our moves into the power sector. We intend to be involved at almost every stage of the sector, from generating electricity, to buying and selling it, and supplying it to customers. We see the power industry changing – with more volatility, intermittent supply and demand. And we see that playing to our strengths. We see a significant opportunity to use the power of our brand and our global customer base to supply not only electricity, but also adjacent services such as car charging, home-based battery storage and smart energy usage optimisation. Having a large customer base alongside clean power generation assets gives Shell the opportunity to trade, integrate and optimise.

We can benefit from our world-class experience and infrastructure in energy trading. We are already one of the top three power wholesalers in the USA. This strategy means we will need to make investments in

storage and different kinds of low-carbon power generation, like wind, solar and gas. It does not mean, however, that we plan to own all the plants that generate the power we sell. Instead, we will complement our supply by buying power from third-party suppliers to remain flexible.

In relation to Shell's Net Carbon Footprint ambition, I would also like to highlight an initiative that your company has only recently announced. An initiative to turn to nature, through what are sometimes called nature-based solutions or NBS. On 8 April, Shell announced a programme to invest at least \$300 million in natural ecosystems. In the Netherlands and later this year also in the UK Shell is offering motorists carbon-neutral driving with Shell fuels. By offering carbon offsets, we are giving customers the opportunity to support the protection and restoration of forests and wetlands that absorb carbon.

A paper produced by a number of expert bodies – including the Nature Conservancy and Wetlands International – estimated that protecting and creating forests, grasslands and wetlands could reduce CO<sub>2</sub> in the atmosphere by more than 11 billion tonnes a year by 2030. This is only an estimate, but it is equivalent to the combined emissions of the USA and the European Union. Some say we should simply replace all road transport with battery-powered vehicles. But according to the International Energy Agency, in the time the number of electric cars are expected to grow from 3 to 280 million, the number of petrol cars could grow from 1 to 1.7 billion. Yes, a switch to battery-electric cars is happening and it is essential. But traditionally fuelled cars will be around for decades to come and this initiative to work with nature can help address that reality.

Finally, we are aware of the debate that has ensued in the Netherlands following our announcement. But we are confident that our approach offers an immediately available option for customers to take a step towards Paris right now.

Moves like these are why we were able to announce the first of our short-term targets on our Net Carbon Footprint. These targets are now linked to executive remuneration. We developed them through extensive collaboration with institutional investors working on behalf of Climate Action 100+.

But Shell also wants to contribute to society and help contribute to solve some of the world's biggest challenges. Challenges like those set out in the United Nations Sustainable Development Goals. As we are an energy supplier and energy improves people's lives stepping up in providing people access to energy is simply the right thing to do.

Shell has an ambition: by 2030 we want to provide a reliable electricity supply to 100 million people in the developing world who do not have it today. If we succeed 100 million more people will then have power to improve their lives and the lives of those around them.

So that is how Shell is making progress towards each of its strategic ambitions. Chad has spoken to you about trust, which lies at the heart of our societal licence to operate. I have spoken about our financial delivery our business delivery our financial discipline and cash priorities and our dedication to strong HSSE performance. All of this adds up to real progress toward being a world-class investment case.

And I have spoken about our approach to thriving in the energy transition by taking the opportunities to be found within that transition and changing the mix of what your company sells to move in step with customers as our customers and global society makes progress towards the goal of the Paris Agreement. It is by following our strategy; by achieving our three strategic ambitions that Shell your company can be a world-class investment case not just today but long into the future. Thank you.

NOT FOR RELEASE, PRESENTATION, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

This presentation contains data and analysis from Shell's new Sky scenario. Unlike Shell's previously published Mountains and Oceans exploratory scenarios, the Sky scenario is based on the assumption that society reaches the Paris Agreement's goal of holding the rise in global average temperatures this century to well below two degrees Celsius (2°C) above pre-industrial levels. Unlike Shell's Mountains and Oceans scenarios which unfolded in an open-ended way based upon plausible assumptions and quantifications, the Sky Scenario was specifically designed to reach the Paris Agreement's goal in a technically possible manner. These scenarios are a part of an ongoing process used in Shell for over 40 years to challenge executives' perspectives on the future business environment. They are designed to stretch management to consider even events that may only be remotely possible. Scenarios, therefore, are not intended to be predictions of likely future events or outcomes and investors should not rely on them when making an investment decision with regard to Royal Dutch Shell plc securities. Additionally, it is important to note that Shell's existing portfolio has been decades in development. While we believe our portfolio is resilient under a wide range of outlooks, including the IEA's 450 scenario (World Energy Outlook 2016), it includes assets across a spectrum of energy intensities including some with above-average intensity. While we seek to enhance our operations' average energy intensity through both the development of new projects and divestments, we have no immediate plans to move to a net-zero emissions portfolio over our investment horizon of 10-20 years. Although we have no immediate plans to move to a net-zero emissions portfolio, in November of 2017, we announced our ambition to reduce our net carbon footprint in accordance with society's implementation of the Paris Agreement's goal of holding global average temperature to well below 2°C above pre-industrial levels. Accordingly, assuming society aligns itself with the Paris Agreement's goals, we aim to reduce our Net Carbon Footprint, which includes not only our direct and indirect carbon emissions, associated with producing the energy products which we sell, but also our customers' emissions from their use of the energy products that we sell, by around 20% in 2035 and by around 50% in 2050.

Gearing is defined as net debt as a percentage of total capital. With effect from 2018, the net debt calculation includes the fair value of derivative financial instruments used to hedge foreign exchange and interest rate risks relating to debt, and associated collateral balances. Free Cash Flow is defined as the sum of "Cash flow from operating activities" and "Cash flow from investing activities". Cash flow from operating activities excluding working capital movements is defined as "Cash flow from operating activities" less the sum of the following items in the Consolidated Statement of Cash Flows: (i) (increase)/decrease in inventories, (ii) (increase)/decrease in current receivables, and (iii) increase/(decrease) in current payables. Organic free cash flow is defined as free cash flow excluding inorganic capital investment (acquisitions) and divestment proceeds. ROACE (Return on Average Capital Employed) is defined as the sum of current cost of supplies (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.). Divestment cash proceeds in 2016-2018 were equal to \$26.7 billion (in Cash flow from investing activities) and \$2.1 billion ("Change in non-controlling interest" in Cash flow from financing activities, primarily related to Shell Midstream Partners, L.P.). Additionally certain contingent payments associated with these divestments are expected to be received in the future. This presentation contains the following forward-looking Non-GAAP measures: Organic Free Cash Flow, Free Cash Flow and Capital Investment. 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. 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. Reserves: Our use of the term "reserves" in this presentation means SEC proved oil and gas reserves. Resources: Our use of the term "resources" in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves. Resources are consistent with the Society of Petroleum Engineers (SPE) 2P + 2C definitions. The forward-looking break-even price (BEP) presented is calculated based on all forward-looking costs associated from Final Investment Decision (FID). Accordingly, this typically excludes exploration and appraisal costs, lease bonuses, exploration seismic and exploration team overhead costs. The forward-looking BEP 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. 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. All outlook on financial metrics and/or alternative performance measures excludes the effect of IFRS 16 implementation. 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 its 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 Form 20F for the year ended December 31, 2018 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://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, May 21, 2019. 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 20F, File No 1-32575, available on the SEC website [www.sec.gov](http://www.sec.gov).