

Sustainable Voting Advice

Company: Royal Dutch Shell plc
 Date AGM: 18 May 2010 - 11:00
 Place AGM: Circustheater, Circusstraat 4, The Hague (and London)

Agenda Item	Proposal	VBDO Advice ¹
1.	That the Company's annual accounts for the financial year ended December 31, 2009, together with the Directors' report and the Auditors' report on those accounts, be received.	For
2.	That the Remuneration Report for the year ended December 31, 2009, set out in the Annual Report and Accounts 2009 and summarized in the Annual Review and Summary Financial Statements 2009, be approved.	For
3.	That Charles O. Holliday be appointed as a Director of the Company with effect from September 1, 2010.	For
4.	That Josef Ackermann be re-appointed as a Director of the Company.	For
5.	That Malcolm Brinded be re-appointed as a Director of the Company.	For
6.	That Simon Henry be re-appointed as a Director of the Company.	For
7.	That lord Kerr of Kinlochard be re-appointed as a Director of the Company.	For
8.	That Wim Kok be re-appointed as a Director of the Company.	For
9.	That Nick Land be re-appointed as a Director of the Company.	For
10.	That Christine Morin-Postel be re-appointed as a Director of the Company.	For
11.	That Jorma Ollila be re-appointed as a Director of the Company.	For
12.	That Jeroen van der Veer be re-appointed as a Director of the Company.	For
13.	That Peter Voser be re-appointed as a Director of the Company.	For
14.	That Hans Wijers be re-appointed as a Director of the Company.	For
15.	That PriceWaterhouseCoopers llp be re-appointed as Auditors of the Company.	- ²
16.	That the Board be authorised to settle the remuneration of the Auditors for 2010.	-
17.	That the Board be generally and unconditionally authorised, in substitution for all subsisting authorities, to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to a nominal amount of €145 million, such authorities to apply until the end of next year's AGM (or, if earlier, until the close	-

¹ Explanation follows after the voting advice

² VBDO does currently not have a sustainable voting advice on this item

	of business on August 18, 2011) (unless previously revoked or varied by the Company in general meeting) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.	
18	That if Resolution 17 is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:	-
a.	To the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities: (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and (ii) to holders of other equity securities, as required by the rights of those securities or, as the Board otherwise considers necessary, and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, or legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and	
b.	In the case of the authority granted under Resolution 17 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to a nominal amount of €21 million, such power to apply until the end of next year's AGM (or, if earlier, until the close of business on August 18, 2011) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends, and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.	
19	That the Company be authorised for the purposes of Section 701 of the Companies Act 2006 to make one or more market purchases (as defined in Section 693(4) of the Companies Act 2006) of its ordinary shares of €0.07 each ("ordinary Shares"), such power to be limited:	-
a.	To a maximum number of 624 million ordinary Shares;	
b.	By the condition that the minimum price which may be paid for an ordinary Share is €0.07 and the maximum price which may be paid for an ordinary Share is the higher of: (i) an amount equal to 5% above the average market value of an ordinary Share for the five business days immediately preceding the day on which that ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out, in each case, exclusive of expenses; such power to apply until the end of next year's Annual general Meeting (or, if earlier, August 18, 2011) but in each case so that the Company	

	may enter into a contract to purchase ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase ordinary Shares pursuant to any such contract as if the power had not ended	
20	That the Directors be authorised, pursuant to Article 129 of the Company's Articles of Association, to offer ordinary shareholders (excluding any shareholder holding shares as treasury shares) the right to choose to receive extra ordinary shares, credited as fully paid up, instead of some or all of any cash dividend or dividends which may be declared or paid at any time after the date of the passing of this resolution and prior to or on May 18, 2015.	-
21	That, in accordance with Section 366 of the Companies Act 2006 and in substitution for any previous authorities given to the Company (and its subsidiaries), the Company (and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect) be authorised to:	-
a.	Make political donations to political organisations other than political parties not exceeding £200,000 in total per annum; and	
b.	Incur political expenditure not exceeding £200,000 in total per annum, during the period beginning with the date of the passing of this resolution and ending on June 30, 2011 or, if earlier, at the conclusion of the next Annual general Meeting of the Company. In this resolution, the terms "political donation", "political parties", "political organisation" and "political expenditure" have the meanings given to them by Sections 363 to 365 of the Companies Act 2006.	
22	That:	-
a.	The Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of Section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and	
b.	The Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.	
23	Report on investment risks associated with future Canadian oil sands projects	
	That in order to address our concerns for the long term success of the company arising from the risks associated with oil sands, we as shareholders of the company direct that the Audit Committee or a Risk Committee of the Board commissions and reviews a report setting out the assumptions made by the company in deciding to proceed with oil sands projects regarding future carbon prices, oil price volatility, demand for oil, anticipated regulation of greenhouse gas emissions and legal and reputational risks arising from local environmental damage and impairment of traditional livelihoods. The findings of the report and review should be reported to investors in the Business Review section of the Company's Annual Report presented to the Annual General Meeting in 2011.	For

Explanatory Notes

Item 1- For

VBDO interprets the adoption of the Annual Accounts as the adoption of the Sustainability Report 2009. The decision of adoption is based on the level of transparency. Shell uses the

G3 guidelines at the A+ level. Qualitative information is backed with quantitative information. Shell has installed an external review committee. In its report they make several suggestions of improvement, which VBDO hopes to see incorporated in next years report. In addition the company profile drafted by SOMO³ (Centre of Research on Multinational Corporations) makes VBDO question the reports balance. According to this G3 principle of defining quality a report should include both positive and negative information. VBDO would like to see reference made to cases presented by SOMO in the Shell Sustainability Report to improve the quality of reporting. Taken the possible improvements into account the Shell report scores well compared to other reports on transparency and therefore VBDO advises to vote for on this item.

Item 2- For

VBDO is content to see the objective 'new annual bonus measures strengthen links to strategy' in the remuneration proposal. This adjustment introduces an annual bonus that is also determined by a sustainability indicator. Shell has introduced the Dow Jones Sustainability Index (DJSI) into their Sustainable Development measure, which they think will ensure competitiveness in this area as it will compare their performance of others in the Oil and Gas Industry. Their new annual scorecard will partly be linked with Sustainable Development (10% each for Total Recordable Case Frequency and DJSI). VBDO sees this as an improvement in their remuneration policy. However, regarding performance areas and indicators the VBDO prefers that sustainability areas relate to more than 30% of (short and long term) performance income. Furthermore, the VBDO prefers the payout to be in cash while payout in shares is also possible. Stock options are not preferred by the VBDO.

In conclusion, although there is room for improvement VBDO advises to vote for this item because it is positive about the proposed new remuneration policy that includes non-financial elements such as sustainability indicators.

Item 3- For

Charles O. Holiday has previously held a position as chairman of the World Business Council for Sustainable Development. VBDO hopes that C. Holiday will apply this experience within his upcoming activities for Shell.

Item 4-13 - For

VBDO supports a sustainable relation between a company and its stakeholders. The directors of the Company are also stakeholders and therefore VBDO advises to vote for the re-appointment of the Directors of the Company.

Item 14- For

VBDO supports a sustainable relation between a company and its stakeholders. The members of the board are also stakeholders. As chairman of the Remuneration Commission Hans Wijers was involved in adjusting the remuneration policy by integrating sustainability indicators. Therefore VBDO advises to vote for the re-appointment of Hans Wijers as a Director of the Company.

Item 23- For

Despite Shell's reassurances, many stakeholders remained convinced that Shell's oil sands operations are out of line with OECD Guidelines' requirement that enterprises contribute to "social and environmental progress with a view to achieving sustainable development", as well as the company's own pledges to reduce the climate change impacts on its activities. Furthermore, while Shell claims that it is implementing cutting-edge technology to lower GHG emissions from oil sands production and that it "is one of the lowest CO2 intensity operators among all mineable oil sands projects", the company does not deny that its overall GHG emissions are expected to rise as a result of its oil sands operations. Transparency to all stakeholders is an important issue for the VBDO. Therefore, VBDO advises to vote for on this item.

³ www.somo.nl