

## Royal Dutch Shell, AGM 2011, May 17<sup>th</sup>

### Meeting Report

#### Executive Summary

There were no controversial items on the agenda and we have voted in favor of all the agenda points. On agenda item 2 (approve the remuneration report) we have complimented Shell with the overall transparency of the remuneration paragraph followed by some comments on the new sustainability criteria (positive) and on the severance arrangements (missed opportunity). Furthermore, in line with last 3 AGM's we have commented on the gas flaring and oil spills in Nigeria as these issues remain key issues and they potentially damage Shell's reputation.

#### Royal Dutch Shell, Annual General Meeting, May 17<sup>th</sup> 2011

Meeting type	AGM Royal Dutch Shell
Date	11:00 A.M CET, May 17 <sup>th</sup> 2011
Location	Circustheater, Scheveningen and The Barbican Centre, London
Spokesperson Eumedion	Sylvia van Waveren (Robeco)
Proxy instructions	APG, Robeco, Syntrus Achmea Vermogensbeheer, Mn Services, Stichting-Telegraafpensioenfond 1959, Menzis Zorgverzekeringen, Pensioenfond voor de Grafische Bedrijven

Agenda items	Vote	For	Against
1. Receive the Annual Report	For	99,95	0,05
2. Approve the remuneration report	For	98,76	1,24
3. Appointment of Mrs. Stuntz	For	99,70	0,30
4. Reappointment of Mr. Ackermann	For	95,27	4,73
5. Reappointment of Mr. Brinded	For	99,52	0,48
6. Reappointment of Mr. Elliott	For	99,71	0,29
7. Reappointment of Mr. Henry	For	99,54	0,46
8. Reappointment of Mr. Holliday	For	99,68	0,32
9. Reappointment of Mr. Lord Kerr of Kinlochard	For	99,68	0,32
10. Reappointment of Mr. Kleisterlee	For	99,25	0,75
11. Reappointment of Mrs. Morin-Postel	For	99,70	0,30
12. Reappointment of Mr. Ollila	For	99,23	0,77
13. Reappointment of Mr. Van der Veer	For	98,94	1,06
14. Reappointment of Mr. Voser	For	99,66	0,34
15. Reappointment of Mr. Wijers	For	99,57	0,43
16. Reappointment of PricewaterhouseCoopers LLP	For	99,77	0,23
17. Remuneration of the auditors	For	99,93	0,07
18. Issuance of shares with pre-emption rights	For	98,71	1,29
19. Issue shares for cash	For	99,17	0,83

20. Authorisation for share repurchase	For	99,67	0,33
21. Approval of political donations	For	97,32	2,68

### Spoken text for agenda item 2 (Remuneration)

Thank you, mister chairman. My name is Sylvia van Waveren. I speak on behalf of APG, Robeco, Syntus Achmea Vermogensbeheer, Mn Services, Stichting-Telegraafpensioenfonds 1959, Menzis Zorgverzekeraar, Pensioenfonds voor de Grafische Bedrijven.

Overall, we are satisfied with the execution of the strategy of Royal Dutch Shell. Shell made good progress bringing more focus in its portfolio. At the same time it increased its oil and gas production with 5% in 2010 while maintaining the reserve replacement ratio (RRR) above 100%. The project delivery was above target, with selected projects being delivered on time and on budget.

On the remuneration, first we would like to congratulate Shell with the overall transparency of the remuneration paragraph. Shell provides a clear overview of the 2010 policy and the changes to the policy in 2011 annual report. Moreover, all variable elements are well explained including the results per performance measure (see for example the 2010 STI scorecard for executive directors). We would like to add that the open dialogue with the shareholders on executive remuneration is much appreciated.

We have the following comments:

- (1) We welcome the decision of REMCO to apply its discretionary power to set the SAM/DJSI linked bonus payment to 0%, as a result of the exclusion from the Dow Jones Sustainable Index.
- (2) We understand the replacement of the DJSI/SAM index assessment with internal sustainable developments measures. These targeted measures are objective and address key sustainability issue: operational spills, energy efficiency and fresh water use. Furthermore they reflect improvement opportunities identified through DJSI/SAM benchmarking and priorities agreed in consultation with the Corporate and Social Responsibility Committee.
- (3) We agree with the increases in base salaries and welcome the claw back policy.
- (4) We welcome the changes to the 2011 policy for executive board members. We also agree with the increases of the fee levels for the Chairman of the Board and the annual base fee for the other non-executive directors.
- (5) A missed opportunity, however, are the severance arrangements which are equal to one times annual pay (base salary plus target bonus) rather than one times base pay as stipulated by the Dutch CG Code. Particularly given the fact that Executive Directors' employment contracts are governed by Dutch employment law.

*In reaction to comment 5 Mr. Wijers commented that the expectation is that the judges see base pay as base salary including at target bonus.*

### Spoken text on gas flaring and oil spills in Nigeria

In addition to the above we would like to emphasize that we remain highly concerned with the operations in Nigeria and the potential damage to Shell's reputation. We would like to see that Shell makes these issues top priority for the coming years. Please note that Nigeria represents around 10% of Shell's total production.

We are evenly concerned with the stakeholder dialogue especially with local communities in Nigeria and First Nations in Canada (on oil sands). We receive severe signals that this process is of a very low standard and quality. Again we pledge for a top priority of the Board of Shell for this dialogue with local communities in general but in Nigeria and Canada specifically.

*In reaction to this and to other comments from shareholders Shell confirmed they will remediate the clean up of all old sites in Nigeria, whether they have been sabotaged or not. The backlog of old spills was brought down from 420 to less than 350 in 2010. In 2009 98% of the oil spills in Nigeria was sabotaged, in 2010 this figure stands at 80%.*

*On gas flaring Shell confirmed that in 2010 production doubled and the flaring increased with 30% as a consequence. Shell is initiating 27 facilities worth more than 2 billion US\$ to eliminate gas flaring completely. A time frame could not be given due to the insecure circumstances in Nigeria. However all parties in the consortium are in agreement on stopping the flaring completely.*

Sylvia van Waveren  
Senior Engagement Specialist Robeco  
May 20, 2011