

Stichting Shell Pensioenfonds

Facts & Figures 2007



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Personal

Representatives of employer

R.J. Routs, *Chair* (until July 6, 2007)
C.A. Linse, *Chair* (since July 6, 2007)
R. Willems, *Deputy Chair*
(until September 1, 2007)
B.P.T. de Wit, *Deputy Chair*
(since October 8, 2007)
C. Streng (until January 1, 2008)
E.M. Robbe (since January 22, 2008)
P.R.R. Venhuizen

Representatives of employees

J. van Berkel
E.A. Breunesse
Ms L. Boersma
L.R. Riedstra

Members' Council

Representatives of participants

B.C. van der Leer, *Deputy Chair*
A.J. van Noort, *Secretary* (until June 1, 2007)
R.H.J. van der Ouderaa (since June 1, 2007)
R. van Waardenberg
W. Zwiep (until March 1, 2007)
A.J.A. van Loon (since March 1, 2007)

Representatives of pension beneficiaries

L.F.B. Goudsmit, *Chair*
J. van den Bosch
A.W.J. van der Hoeven
J.M.M. Holla, (*Secretary* since June 1, 2007)

W.J. Ouwerkerk
W.G. Reman
K.A. Thomas
S. Wage (until June 1, 2007)
D. Swier (since June 1, 2007)

Accountability Council

Representatives of employer
J. van der Veer, *Chair*
T.P.K. Huysinga, *Deputy Chair*

Representatives of participants

F.P.G. Paulides
H. Brand

Representatives of pension beneficiaries

R. van der Vlist
S. Wage

Management Company:

Shell Pensioenbureau Nederland B.V.

Asset Manager:

Shell Asset Management Company B.V.

Certifying actuaries:

Towers Perrin

External auditors:

PricewaterhouseCoopers Accountants N.V.

ABOUT THIS BROCHURE

This Facts & Figures brochure gives a brief summary of the course of business and key financial figures of Stichting Shell Pensioenfonds (Shell Pension Fund Foundation, the Pension Fund) in 2007. Full details of the Pension Fund's financial position and operations in 2007 are provided in the Annual Report. Electronic versions of the Annual Report and these Facts & Figures are also available from the Pension Fund's internet site (www.shell.nl/pensioenfonds). This site also contains electronic versions of the Pension Fund's Constitution, Regulations and other communications and publications.

If you have any comments on or questions about these Facts & Figures, please send an e mail to pensioenfonds@shell.com or a letter to Stichting Shell Pensioenfonds, P.O. Box 65, 2501 CB The Hague, The Netherlands.



Objective

The objective of the policy of the Board is to meet the pension rights and entitlements of its beneficiaries while endeavouring to protect pensions in payment and deferred pension entitlements against inflation. It does this by taking account of the development of the “derived consumer price index for all households”. The pension scheme is designed to be simple, transparent and independent of trends in social security.

The Pension Fund must ensure that the pension entitlements granted by the employer can be paid out. It endeavours to ensure that the purchasing power of such pension entitlements is kept at an acceptable level (see also page 12).

Low, stable contributions

The Pension Fund strives to achieve its objective by means of low and stable contributions, where possible. It therefore invests the contributions it receives from the employer and employees prudently. The Pension Fund pursues a strategic investment policy for this purpose, the aim being to achieve maximum investment returns. The risks that are always associated with investment are kept within acceptable limits so that the Pension Fund can maintain a healthy financial position in the long term. More information on the Pension Fund’s investment policy is provided in the section on investments in 2007, on page 15.



Structure of the Pension Fund

As participants in the Shell Pension Fund, employees of Shell in the Netherlands build up a pension. The Pension Fund ensures that they receive a pension when they retire. The Pension Fund has a Board, an Accountability Council and a Members' Council. The Board is responsible for the day-to-day management of the Pension Fund and ensures that the pension scheme is administered properly. A specialised organisation within Shell manages the Pension Fund's assets. Supervision and controls are carried out in various ways.

Board and representation bodies

The Pension Fund encompasses the pension schemes of participating Shell Group companies. It is governed by the Board. The Members' Council advises the Board, on request or otherwise, on key matters affecting the Pension Fund. Each year the Accountability Council, which was established end of 2007, assesses the Pension Fund's policy and its implementation during the preceding year. It also establishes whether the Board applied the Principles for Pension Fund Governance and advises the Board on specific matters.



The BOARD comprises eight members. Four members represent the employer and four represent the employees. All members are appointed by Shell Petroleum N.V. The employees' representatives are appointed on the recommendation of the Central Staff Council of Shell in the Netherlands.

The MEMBERS' COUNCIL has twelve members. Eight members represent the pension beneficiaries and four represent the participants. Participants are Shell employees who are accruing pension entitlements with the Pension Fund. All members are appointed by Shell Petroleum N.V. The participants' representatives are appointed on the recommendation of the Central Staff Council of Shell in the Netherlands. The pension beneficiaries' representatives are appointed on the recommendation of VOEKS, the Association of Former Royal Dutch/Shell Employees.

The ACCOUNTABILITY COUNCIL has six members. The employer, the participants and the pension beneficiaries, each have two representatives. All members are appointed by the Board. The employer's representatives are appointed on the recommendation of Shell Petroleum N.V. The participants' representatives are appointed on the recommendation of the Central Staff Council of Shell in the Netherlands. The pension beneficiaries' representatives are appointed on the recommendation of VOEKS, the Association of Former Royal Dutch/Shell Employees.



More information on the tasks and responsibilities of the Board, the Members' Council and the Accountability Council is available on the Pension Fund's internet site (www.shell.nl/pensioenfonds).

Pension Fund management, administration and asset management

Shell Pensioenbureau Nederland B.V. (SPN) is the Pension Fund's Manager (management company). SPN supports the Board, advises it on pension policy and administers the pension scheme. Shell Asset Management Company B.V. (SAMCo) manages the Pension Fund's assets. SAMCO also advises the Board on investment policy.

External supervision and control

The Dutch central bank (De Nederlandsche Bank - DNB) and the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten - AFM) supervise the Pension Fund's operations. DNB monitors aspects such as the Regulations, Constitution and financial structure of the Pension

Fund. It also assesses the competence of the Board. The AFM checks that the Pension Fund provides clear, comprehensible, accurate and timely information. It also monitors the methods used by the Pension Fund to invest in the financial markets. The external supervisory activities of DNB and the AFM are laid down in the Pensions Act.

The certifying actuary assesses the financial position of the Pension Fund each year. He establishes whether the provision for pension liabilities has been calculated correctly and whether the Pension Fund has sufficient assets. The actuary also checks that contributions have been calculated correctly.

The external auditor assesses whether the financial statements of the Pension Fund are correct. The certifying actuary and the external auditor are not employed by the Pension Fund.

2007: the Pensions Act

The Pensions Act entered into effect on January 1, 2007. The Pension Fund complied with some provisions of the new Act straight away, as required. Other provisions did not come into effect until January 1, 2008. In 2007 the Pension Fund made the necessary preparations to implement the remaining provisions by the required date.

This led to a number of changes. First, an Accountability Council was set up in addition to the existing Board and Members' Council. Also, Internal Supervision was provided for in the Constitution. At the end of the year, the Board decided to overhaul the Constitution and Regulations to bring

them into line with the Pensions Act, and the Pension Fund concluded an Administration Agreement with the employer.

Accountability Council and Internal Supervision

At the same time as the Pensions Act, the Principles for Pension Fund Governance came into effect. These principles require that pension funds must set up a body to which they must account for their activities, as well as an internal supervision structure. In 2007 the Pension Fund adjusted its structure accordingly. Provisions were made for an Accountability Council and Internal Supervision. These changes were incorporated in the Constitution on June 27, 2007.

Accountability Council

The six members of the Accountability Council were appointed in December 2007. The employer, the participants and the pension beneficiaries each have two representatives. In 2008 the Accountability Council will, for the first time, issue its opinion on the Board's policy and execution thereof in 2007. It will also assess whether the Pension Fund implemented the Principles for Pension Fund Governance in the preceding year.

Internal Supervision

The Pension Fund has complied with the legal requirement for Internal Supervision by means of inspection. Each year, a specially appointed Committee will review how the Pension Fund performs its tasks. The Committee will consist of three independent external experts who will monitor different aspects of the Pension Fund's activities in turn. All activities will have been reviewed after three years.

Constitution and Regulations V (valid as of January 1, 2008)

Additional adjustments were required in order to comply with the provisions in the Pensions Act that

ASSETS, LIABILITIES AND FUNDING RATIO IN 2007

- The Pension Fund's assets based on market value amounted to € 19,257 million as at the end of 2007 (2006: € 18,570 million).
- The provision for pension liabilities amounted to € 10,679 million as at December 31, 2007 (2006: € 11,256 million).
- The average market rate of interest used to calculate the provision for pension liabilities was 4.85% (2006: 4.3%).
- The funding ratio on December 31, 2007 was 180% (2006: 165%). The Pension Fund's funding ratio on that date must be at least 129%. The Pension Fund amply complied with this requirement.
- The certifying actuary assessed that the financial position of the Pension Fund as at December 31, 2007, was good.





KEY CHANGES AS OF JANUARY 1, 2008

Constitution

A key amendment to the Constitution was made regarding the extension of the Members' Council's right to issue advice. In addition to its existing advisory rights, the Members' Council was also given the right to advise on:

- short-term or long-term recovery plans;
- an incoming collective value transfer of pension entitlements;
- the Administration Agreement;
- any reductions and refunds of contributions.

The Pension Fund was already accustomed to requesting advice on these matters.

The employer's right to grant consent to a number of important Board decisions was withdrawn and a more rigorous decision-making procedure was introduced for the Board in such matters.

Regulations V

The Regulations now stipulate what information the Pension Fund is required to disclose under the Pensions Act. In fact, the Pension Fund already provided much of this information.

The Regulations were also amended as follows with effect from January 1, 2008:

- if an unmarried, cohabiting couple separates, the enrolled partner retains the right to receive a partner's pension;
- the possibilities for converting retirement pension into partner's pension and vice versa have been curtailed in line with the new Pensions Act;
- the limits and options that apply to the commutation of small pensions have been reviewed.

came into effect on January 1, 2008. At the end of 2007 the Board therefore decided to amend the Constitution and Regulations V again. All the definitions contained in the Constitution and Regulations have been aligned with the Pensions Act. Some provisions were removed from the Constitution and incorporated in the Regulations, and minor changes were made to the text. Other important changes that were made are shown at the top of this page.

Administration Agreement (valid as of January 1, 2008)

The Pensions Act required that a new agreement be concluded between the Pension Fund and Shell Petroleum N.V. to replace the previous Funding Agreement. The resulting Administration Agreement lays down the legal relationship between the employer and the Pension Fund. It came into force on January 1, 2008.

Indexation label

The Pensions Act requires that a logo will be created to indicate the indexation quality of a pension scheme. By law this logo, referred to as the Indexation label, was supposed to have been introduced by January 1, 2008. However, this has been postponed until July 1, 2008.

Communication

The Pension Fund provides new participants with an information pack that includes the Regulations, the Constitution and a brochure explaining the pension scheme. The information pack was updated to reflect the changes that took place in 2007. The brochure entitled "Binnenkort 65" ("Turning 65", available in Dutch only), was also revised. This brochure is sent to participants who are about to turn 65. Furthermore, English texts for retirees were added to the Pension Fund's internet site.

NEW DEFINITION OF DISABILITY

The new Dutch Work and Income According to Labour Capacity Act (WIA) resulted in an amendment to Regulations V. On July 1, 2007, the Pension Fund adjusted the definition of "disability" in keeping with the statutory provisions of the WIA. It may now only pay a disability pension to participants who are considered to be fully incapacitated for work by law (80% or more) and who have only a very small chance of recovery within five years.



The Dutch Ministry of Social Affairs and Employment changed the name of the Indexation matrix to "Toeslagenmatrix". This matrix contains the exact text that pension funds must use in their communications about indexation. As this mandatory text was also amended, the Pension Fund adjusted its own texts on indexation accordingly.

Pension statement and pension calculator

Uniform Pension Statement

In February 2007 participants received their annual pension statement showing their accrued and attainable pension entitlements under Regulations V. Once again the statement complied with the rules of the nationwide Uniform Pension Statement (Uniform Pensioenoverzicht). All pension funds are required to comply with these rules as from 2008 so that participants can easily compare and add up the pension entitlements contained in the statements they receive from different pension funds.

Pension Calculator

The pension statement that participants receive in February includes their pension entitlements as at December 31 of the previous year. Participants can also check their pension entitlements using the Pension Calculator by logging on to Shell's intranet. The calculator always provides the latest information, so participants can immediately see what their current pension entitlements are. They can also use the calculator to work out the implications of pension choices, for example when opting for early retirement. In 2007 the Pension Calculator had more than 10,000 hits and was used to make nearly 84,000 calculations.

Financial requirements

The Pension Fund must be in sound financial health so that it can meet all its anticipated pension liabilities. For this purpose rules have been drawn up and embodied in the Pensions Act. Requirements are imposed on Dutch pension funds' funding ratios, i.e. the ratio of assets to the provision for pension liabilities. Their funding ratio must be at least 105%. The Pension Fund invests in financial markets and is thus exposed to investment risk. Therefore this minimum must be increased by an additional safety margin. Consequently the Pension Fund is required to have a funding ratio of at least 129%.

The Pension Act also imposes rules on how the Pension Fund calculates its assets and its provision for pension liabilities. The market rate of interest must be factored into the provision for pension liabilities, taking account of the points in time when the various pension benefits have to be met. Consequently the Pension Fund can no longer apply a fixed interest rate, such as 4%, to determine its provision for pension liabilities.

The assets have to be calculated at market value, which was already the usual practice.



Activities of Members' Council

The Members' Council advises the Board, on request or otherwise, on key matters affecting the Pension Fund. Formal consultative meetings between the Board and the Members' Council are held twice a year. The Manager and the Members' Council keep one another informed of major developments in the course of the year.

The Board held two consultative meetings with the Members' Council in 2007, and the Members' Council and the Manager met three times. In September the Manager organised a workshop on the Pensions Act for the Board and the Members' Council. In November a workshop on the 2008 – 2010 Pension Fund Plan was organised for the Members' Council.

Requests for Advice

During meetings the Manager informs the Members' Council about any Requests for Advice and the proposals they contain, and answers questions. The Council subsequently issues its advice, after which the Board reaches a final decision on the proposals. 2007 was another busy year for the Members' Council, which was asked to issue advice on twelve occasions (see box). Many of these Requests for Advice concerned detailed, complex matters.

In some cases the Members' Council issued advice accompanied by comments or observations. These were then discussed in the sessions between the Manager and the Council. The Board always informed the Council in writing on every final decision that was taken. The Manager held a few separate meetings with representatives of the Members' Council regarding Requests for Advice on the amendments to the Constitution, the amendments to Regulations V, and the Administration Agreement. During these meetings the

Manager provided additional information and answered questions posed by the Members' Council. After the Council had received the Board's final decision on these matters, it decided to request external legal advice. In consultation with the Board's and the Council's external legal advisors, it was agreed that the Council would issue further advice on a number of subjects.

Under the Pensions Act, the Board was required to take a final decision on the last four matters by the end of 2007. The handling of the Request for Advice on the termination of the regulation for supplements for the lowest paid beneficiaries was therefore postponed.

SUMMARY OF REQUESTS FOR ADVICE SUBMITTED TO THE MEMBERS' COUNCIL

- February - Amendment of Actuarial and Operating Memorandum (ABTN)
- Amendment of Corporate Governance Policy
- March - Principles for Pension Fund Governance
- May - 2006 Annual Report of Stichting Shell Pensioenfondsen
- Indexation and other adjustments with effect from July 1, 2007
- Definition of disability
- July - Termination of the regulation for supplements for the lowest paid beneficiaries
- October - Adjustment of Table 16 in Attachment to Regulations V
- October/November - Amendment of Constitution
- Amendment of Regulations V
- Administration Agreement
- December - Employer's contribution in 2008

Indexation

Indexation is the adjustment of pensions with a cost-of-living increase. The Pension Fund endeavours to keep pensions inflation-proof, i.e. adjust them in line with the rise in the cost of living (inflation). To determine the rise in the cost of living, the Pension Fund takes the “derived consumer price index for all households” published by Statistics Netherlands (Centraal Bureau voor de Statistiek, CBS).

Lifelong pensions were increased by 1.6% with effect from July 1, 2007. The rise of the derived consumer price index for all households was also 1.6%. Transitional pensions were increased by 2%, based on the general salary increase at Shell in the Netherlands as of the same date. The maximum levels for the under-65 allowance were also adjusted, from € 10,846 to € 11,063 for retirement pensions, and from € 7,592 to € 7,744 for partners' pensions.

Conditional and unconditional

Every year the Board decides whether pension indexation is to be effected. For some pension elements, indexation is unconditional and the adjustment is made automatically. Those pension elements are specified in Regulations V. For all

other pension elements, indexation is conditional on whether the Pension Fund's financial position permits such an increase. In addition to this conditional indexation, the Board may decide at its own discretion to award a supplement in view of other factors such as trends in social security, healthcare and salary levels at Shell in the Netherlands.

In July 2007 all pension beneficiaries received the annual notification of their pension entitlements and any changes made to them. Former Shell employees with deferred pension entitlements and ex-partners whose addresses are known to the Pension Fund were likewise informed of their pension entitlements in July.



Contributions and liabilities

The Pension Fund invests the contributions paid by participants and the employer. It uses these and the returns the investments generate to pay the pensions, now and in the future. The value of the investment portfolio constitutes the Pension Fund's assets. Set off against those assets is the provision for pension liabilities.

The contribution paid by each employee, termed the participant's contribution, is laid down in Regulations V. It amounts to 2% of salary up to and including the maximum of salary group 5, and a minimum of 2% and a maximum of 8% of salary above that limit. The contribution paid by the employer depends on the funding ratio.

The Board may decide to reduce the contributions, but the minimum participant's contribution is always 2% of salary. The minimum employer's contribution is always 5% of the salary sum. The scheme below shows the participant's contribution relative to the employer's contribution. The Board may decide to

deviate from this policy if there are good reasons to do so.

In the first half of 2007 all participants paid 2% of salary up to € 71,274 and 8% on salary above that level. In the second half of the year all participants paid 2% of salary up to € 72,700 and 8% on salary above that level. In 2007 the employer paid a contribution amounting to 17% of the salary sum.

The amount of contribution paid by the employer depends on the Pension Fund's funding ratio. This funding ratio regularly exceeded 173% throughout 2007. The Board therefore decided to reduce the employer's contribution for 2008 to the minimum amount of 5% of the salary sum, as laid down in the funding policy. This reduction is not expected to pose a threat to the healthy growth of assets. Moreover, the indexation objective (the endeavour to keep pensions inflation-proof) will be achieved with a high degree of certainty in the short term and the long term. If the employer pays the minimum contribution of 5%, participants will also pay the minimum contribution of 2% on the portion of salary above the normal maximum of salary

Level of participant's contribution relative to employer's contribution

At an employer's contribution of	the participant's contribution amounts to	
(% of total salary sum)	(% of salary* up to normal maximum of salary group 5)	(% of portion of salary* above normal maximum of salary group 5)
16% or higher	2 %	8 %
higher than 5%, but lower than 16%	2 %	half of employer's contribution
5%	2 %	2 %

*salary = 12 months' salary plus April and/or December payments plus any pensionable supplements



group 5. The participants' contribution as from January 1, 2008 is therefore 2% of salary (see scheme on page 13).

Provision for pension liabilities

The provision for pension liabilities is the value of all accrued pension entitlements, and stood at € 10,679 million as at December 31, 2007 (2006: € 11,256 million). The drop in the provision for pension liabilities is most notably the result of a higher market rate of interest in 2007 relative to 2006. The average interest rate used to

calculate pension liabilities was 4.85% (2006: 4.3%).

In 2005 and 2006 the Pension fund calculated the provision for pension liabilities and the funding ratio in two ways: using the market rate of interest and using a fixed interest rate of 4%. However, as the Pensions Act stipulates that the market rate of interest must be used for calculating the provision for pension liabilities, the Pension Fund has exclusively used the market rate of interest since the beginning of 2007.



Investments in 2007

The Pension Fund had a reasonably good investment year. The return on investment, after deducting costs, was 5.9% in 2007 compared to 17.3% in 2006. This return exceeded the Pension Fund's internal benchmark by 0.1%.

The return on equities was 7.5% (2006: 21%), this was 1.2% lower than the benchmark. Return on equities in most equity markets in the world was affected by the credit crisis in the US, particularly in the second half of the year. Losses were reported most notably in the US and Japan.

Fixed-income investments resulted in a return of minus 3.2% in 2007 (2006: 4.7%). This was 1.5% lower than the benchmark. Once more, fears concerning the weak US economy and the US housing market played a role.

The returns on alternative investments were 34.6% (2006: 51.3%), and once again represented the

highest returns of all. Hedge funds yielded solid returns of 6.9% (2006: 5.5%). The returns on both these investment categories exceeded the benchmark.

The table below compares returns with the internal benchmark, while the graph on page 16 contrasts the total net returns over various periods with the benchmark.

Investment policy

The Board pursues an investment policy aimed at achieving healthy, stable results in the long term, and formulates its strategic investment policy accordingly. This policy defines how the

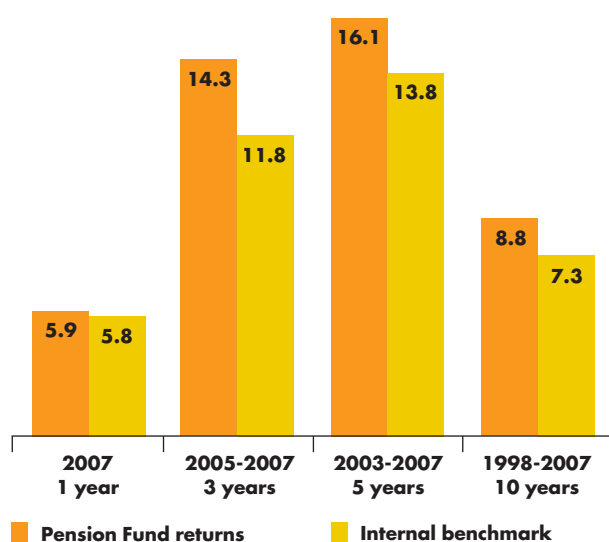
Net returns (%) compared with internal benchmark

The figures in this table represent returns after currency hedging

	2007		2006		2005 ¹⁾	
	Pension Fund	Benchmark	Pension Fund	Benchmark	Pension Fund	Benchmark
Equities	7.5	8.7	21.0	18.3	24.6	20.7
Fixed-income investments	-3.2	-1.7	4.7	2.4	11.1	7.1
Alternative investments	34.6	8.2	51.3	19.2	24.8	16.0
Hedge funds	6.9	3.9	5.5	2.8	4.5	3.4
Active currency management	0.1	-	0.1	-	-0.4	-
Total returns	5.9	5.8	17.3	13.5	20.4	16.3

¹⁾ net returns (i.e. returns after deduction of asset management costs) have been reported since 2006. The returns for 2005 in this table were recalculated as net returns to enable comparison

Total net returns (%)
(after currency hedging)



investments are to be allocated among different investment categories, such as equities and fixed-income investments (mainly bonds). These investment categories are in turn subdivided into

geographical regions such as Europe, the US and Japan.

SAMCo is responsible for executing the Pension Fund's investment policy, and works with external asset managers for this purpose. The table below shows the strategic allocation for 2005 to 2007. SAMCo may deviate from the benchmark as long as it remains within the range of minimum and maximum percentages.

Foreign currency management

The Pension Fund makes investments in various parts of the world and is thereby exposed to foreign currency risks. It fully hedges against these risks for the principal non-euro currencies, so that any fluctuations in the value of those currencies relative to the euro will not affect the value of Pension Fund investments. In addition, the Pension Fund pursues active foreign currency management on a limited scale.

Strategic allocation for 2005 to 2007 (in %)

	Minimum	Benchmark 2005-2007	Maximum
Equities (*)	55-62	60-67	65-72
Fixed-income investments	25	30	35
Alternative investments (incl. private equity and real estate) (*)	0	3-10	10
Hedge funds	0	8	10
Cash	-15	-8	5
Total		100	

(*) alternative investments and equities account for 70%; the higher the percentage of alternative investments, the lower the percentage of exchange-listed securities will be



Policy for Responsible Investing

Last year the issue of corporate responsibility attracted a great deal of media attention. The public interest in socially responsible and environmentally friendly initiatives and the role that companies play in achieving them increased substantially. Many investors, including pension funds, are now treating responsible investing (RI) as a matter of priority. In early 2008, the Pension Fund set its RI policy, which lays down the principles governing all investments made by the Pension Fund.

The Board's RI policy is based on the internationally accepted 'United Nations Global Compact' criteria. These relate to human rights, working conditions and the environment, among other things, and do not exclude any companies beforehand. Whenever the Pension Fund considers investing in a company, it first examines the way its business is run to ensure that it has good corporate, social and environmental policies in place.

The Pension Fund has the right to vote at the general shareholders' meetings of the companies in which it invests. It endeavours to exercise these rights in as many companies as possible. The Pension Fund favours remote voting and is therefore

not always physically present at shareholders' meetings. It prefers to exert influence through engagement, i.e. by entering into discussion with the management of companies as it sees fit. The Pension Fund uses a specialised service provider, with which it makes clear arrangements regarding procedures, and always has control of the proceedings.

As the Pension Fund invests in a large number of companies, this policy will be implemented in stages. Every quarter, the Pension Fund publishes information on its internet site regarding how the policy was implemented in the preceding period.



Historical overview 1998 – 2007

Numbers at year-end

	2007*	2006*	2005*	2004*	2003*	2002*	2001	2000	1999	1998
Participants	11,655	11,226	10,589	10,591	10,927	10,780	10,423	10,328	11,101	11,608
Pensions in payment	19,509	19,300	19,003	18,878	18,656	18,596	17,225	17,319	17,616	17,678
Deferred pension entitlements	6,639	7,010	7,458	7,605	7,789	8,125	7,225	7,660	7,052	6,751
Total	37,803	37,536	37,050	37,074	37,372	37,501	34,873	35,307	35,769	36,037

* includes the Pension Fund Foundation of the Billiton companies (Stichting Pensioenfonds van de Billiton-Bedrijven - PfBB) since 2002

Provision for pension liabilities (EUR million)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Based on market rate of interest	10,679	11,256	11,120							
Based on 4% interest rate		11,658	10,682	10,197	9,573	9,363	8,630	8,109	7,821	7,645

Assets as at December 31 (EUR million)

	2007*	2006*	2005*	2004*	2003*	2002*	2001*	2000	1999	1998
Equities	12,278	12,004	11,056	9,171	8,258	6,339	8,240	8,154	9,946	7,090
Fixed-income investments	5,559	4,881	4,089	3,736	3,507	3,590	2,347	3,533	3,451	3,576
Alternative investments	1,415	1,022	610	402	307	298	320	-	-	-
Hedge funds	1,422	1,123	1,063	755	584	501	453	-	-	-
Real estate (net)	12	13	13	11	11	10	1,090	1,362	1,358	1,217
Other assets and liabilities (excl. short positions)	(25)	632	376	445	73	162	252	438	(330)	(130)
Loans concerning hedge funds	(1,404)	(1,105)	(1,054)	(750)	(582)	(496)	(449)	-	-	-
Total assets	19,257	18,570	16,153	13,770	12,158	10,404	12,253	13,487	14,425	11,753

* on exposure basis since 2001

Funding ratio (in %)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Based on market rate of interest	180	165	145							
Based on 4% interest rate		159	151	135	127	111	142	166	184	154



Contributions, pension payments, income and revaluations (EUR million)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Participants' and employer's contributions	181	197	179	276	133	8	7	9	10	46
Pension payments and net value transfers	575	552	536	529	495	488	479	416	413	412
Income from investments	516	545	561	439	382	416	452	442	507	511
Revaluation of investments	735	2,403	2,307	1,505	1,781	(2,138)	(1,160)	(909)	2,636	647

Net returns* (in %)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
(incl. results of foreign currency management)	5.9	17.3	20.4	15.8	21.7	-14.4	-5.4	-4.1	27.8	10.7
Pension Fund's average	8.8	10.2	10.6	9.5	7.5	8.0	10.1	12.0	11.6	9.7

*net returns (i.e. returns after deduction of asset management costs) have been reported since 2006. The other returns quoted in this table were recalculated as net returns to enable comparison.

Indexation and rise of consumer price index (in %)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Rise in derived consumer price index for all households (March to March period) compiled by Statistics Netherlands	1.6	1.4	1.4	0.8	2.3*	3.7	3.5	1.7	1.6	2.1
Indexation of lifelong pensions	1.6	1.4	1.4	0.6	2.5	3.7	6.0**	2.0	2.0	2.1

* initially 2.5%; later adjusted to 2.3% by Statistics Netherlands

** including 2.5% additional increase

Glossary

AFM (Autoriteit Financiële Markten)

The Netherlands Authority for the Financial Markets. Supervises the conduct of all persons operating on the savings, borrowing, investment and insurance markets. Monitors the way in which the Pension Fund provides information

Benchmark

Objective criterion, for example a stock exchange index, against which the Pension Fund can compare the returns it has achieved

Contribution

Payment made by the employer and the participant

Currency hedging

Means of ensuring that fluctuations in the value of foreign currencies relative to the euro do not affect the value of investments

Deferred pension entitlements

Pension rights of former Shell employees, which are not yet being paid out

Derived consumer price index for all households

Index used to indicate the price movements of a specific package of goods and services, disregarding the influence of indirect taxes (such as VAT) or subsidies

DNB (De Nederlandsche Bank)

The Dutch central bank, which monitors the financial activities of the pension funds and insurance companies operating in the Netherlands

(on) Exposure basis

The value of assets that are exposed to actual risk

Fixed-income investments

Investments with a fixed return, such as bonds

Funding ratio

Ratio between assets and the provision for pension liabilities at any given time

Hedge funds

Investment funds simultaneously holding long positions (securities bought with the expectation that they will rise in value) and short positions (borrowed securities sold with the expectation that they will fall in value), with the aim of generating stable returns that are independent of the general trend on financial markets

Indexation

Adjustment of pensions in payment and/or deferred pension entitlements by means of a supplement

Market rate of interest

The rate of interest on the capital market

Market value

Value at time of sale

Participant

Employee in the service of a Shell company who is accruing pension entitlements with the Pension Fund

Pension entitlements (Pensioenaanspraken)

Pensions that are still being accrued, or are not yet being paid out (deferred pension entitlements)

Pension Fund Plan

Three-yearly study conducted by the Pension Fund to establish how assets and the provision for pension liabilities are expected to develop in the long term. The Pension Fund adjusts the strategic investment policy, financing policy and indexation policy if desired, on the basis of the results of the study



Pension rights (*Pensioenrechten*)

Pensions that are being paid out. Pension entitlements become pension rights by law as soon as pension payments start

Private equity

Investments in funds or enterprises not listed on the stock exchange

Provision for pension liabilities

Value of accrued pension entitlements and pension rights

SAMCo (Shell Asset Management Company B.V.)

Manages the Pension Fund's assets and advises the Board on investment policy

SPN (Shell Pensioenbureau Nederland B.V.)

The Pension Fund's Manager (management company), which supports the Board, administers the pension scheme and advises on pension policy

Strategic investment policy

Long-term investment policy

Value transfer

Transfer of accrued pension entitlements to a new employer's pensions administrator to minimize pension discontinuity





COMPLAINTS PROCEDURE

A brief description and the official text of the Complaints Procedure are published on the Pension Fund's internet site (www.shell.nl/pensioenfonds). If participants, former Shell employees with pension entitlements or pension beneficiaries do not accept the outcome of the Complaints Procedure, they can appeal to the Pensions Ombudsman. No one made use of this facility in 2007.

OPERATING COSTS

The Pension Fund does not employ any personnel and does not therefore pay any salaries or social security contributions. The Board of the Pension Fund is an unsalaried body. In 2007 the total operating costs amounted to € 63 million (2006: € 61 million). Asset management costs accounted for € 58 million of this sum (2006: € 55 million), while pension administration costs and all other costs accounted for € 5 million (2006: € 6 million).

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