



Stichting Shell Pensioenfonds

Your pension at Shell



Constitution

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I General provisions

Definitions

Article 1

1. In this Constitution and the Regulations, unless the context otherwise requires, the following expressions have the meanings respectively assigned to them by this clause:
 - the Pension Fund:** Stichting Shell Pensioenfonds (Shell Pension Fund Foundation);
 - the Constitution:** this Constitution;
 - the Regulations:** the Regulations pertaining to this Constitution, viz. Regulations I, Regulations II, Regulations III, Regulations IV, Regulations V, Billiton Regulations old regime, Billiton Regulations Netherlands, Billiton Regulations Abroad A and Billiton Regulations Abroad B;
 - Regulations I:** the Regulations applicable to those whose Group service was performed exclusively before 1st May 1957;
 - Regulations II:** the Regulations applicable to those who have Group service both prior to 1st May 1957 and after 30th April 1957 but not after 30th June 1998;
 - Regulations III:** the Regulations applicable to those who have Group service exclusively after 30th April 1957 but before 1st July 1998;
 - Regulations IV:** the Regulations applicable to those who have Group service after 30th June 1998 but before 1st January 2006;
 - Regulations V:** the Regulations applicable to those who on 31st December 2005 accrued years of service under Regulations IV, as described further in Regulations IV, or who were on unpaid or parental leave on that date, and who are also participants on 1st January 2006, as well as to those who join the Pension Fund as participants after that date;
 - Billiton Regulations old regime:** Regulations applicable to staff employed within the Netherlands, effective prior to 1st January 1976, or Regulations applicable to staff employed outside the Netherlands, effective prior to 1st January 1978;
 - Billiton Regulations Netherlands:** the Pension Regulations applicable to staff employed within the Netherlands (Regulations of 1st January 2005);
 - Billiton Regulations Abroad A:** the Pension Regulations applicable to staff employed outside the Netherlands (Regulations of 1st January 2005);
 - Billiton Regulations Abroad B:** the Pension Regulations applicable to staff employed outside the Netherlands (Regulations of 1st January 1978);
 - the Board:** The Board of the Pension Fund;
 - Shell Petroleum:** Shell Petroleum N.V., formerly named 'N.V. De Bataafse Petroleum Maatschappij' or 'Bataafse Petroleum Maatschappij N.V.' ('B.P.M.');
 - member company:** a company or body which has joined the Pension Fund;
 - Group company:** any company and any other body which is regarded by Shell Petroleum as forming part of the Shell Group;
 - the Group:** the Group companies regarded as a whole;
 - participants:** the persons who have joined the Pension Fund as participant and on behalf of whom pension entitlements are accrued pursuant to the Regulations;
 - former participants:** persons for whom pension entitlements are no longer being accrued pursuant to the Regulations and to whom non-contributory pension entitlements have been granted that have not yet become payable;
 - legitimate claimants:** persons who are the beneficiaries of pension entitlements that have not yet become payable;
 - pension beneficiaries:** recipients of pensions in payment pursuant to the Regulations.

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2. For the application of the Constitution and the Regulations the time spent by participants in the service of a Group company shall also be considered as Group service.
 3. Where reference is made in the Regulations (with the exception of Regulations V) to 'pensioners', this is understood to mean 'pension beneficiaries' and where reference is made in the Regulations (with the exception of Regulations V) to 'Fund members', this is understood to mean 'participant', 'former participant', 'pensioner', 'legitimate claimant' or 'pension beneficiary', as required by the context.

Name and domicile

Article 2

The Foundation, formerly named Shell Pensioenfonds (Shell Pension Fund), now bears the name Stichting Shell Pensioenfonds (Shell Pension Fund Foundation). It is established at The Hague.

Objective

Article 3

The objective of the Pension Fund is to provide for the payment of pensions and other benefits to persons formerly in the Group's service and to their relatives and to reinsure the pension liabilities incurred by other Group pension funds.

Organization

Article 4

The Pension Fund comprises the following bodies: Board, Accountability Council and Members' Council. The Board is charged with the management of the Pension Fund.

Following the end of each year, the Accountability Council provides an assessment regarding the policies established by the Board, how the policies were implemented and compliance with the principles for pension fund governance as referred to in Section 33 (2) of the Netherlands Pension Act. The Accountability Council also has certain advisory powers.

The Members' Council advises the Board regarding matters concerning the Pension Fund.

The tasks, competences and responsibilities of the Board, the Accountability Council and the Members' Council are described in greater detail in the present Constitution.

Board

Article 5

1. The Pension Fund shall be managed by a Board consisting of an even number of at least six and at most fourteen members, which number shall be fixed from time to time by Shell Petroleum.
2. The Board shall have the authority to perform the legal acts specified in Article 291, paragraph 2 of Book 2 of the Netherlands Civil Code.
3. In the performance of its task the Board, together with the other persons determining or co-determining policy, shall address the interests of all participants, former participants, other legitimate claimants, pension beneficiaries, Shell Petroleum and the member companies and ensure that they can feel they are being represented in a balanced manner.

4. In the performance of its task and the exercising of its authorities, the Board, together with the other persons determining or co-determining policy, shall abide by the provisions of the relevant version of the Administration Agreement between the Pension Fund and Shell Petroleum.
5. The Board shall ensure that the trustworthiness of the persons determining or co-determining policy is established beyond doubt. The Board shall notify De Nederlandsche Bank in advance of any change in the composition of the persons determining or co-determining the policy of the Pension Fund. The Board shall also ensure that any known changes in the antecedents of those persons that may affect the trustworthiness of said persons, shall be immediately notified in writing to De Nederlandsche Bank.
6. The Board is responsible for the organizing of transparent Internal Supervision by means of inspection. The findings of Internal Supervision are incorporated into the annual report of the Pension Fund.

Method of appointment and composition of the Board, criteria for appointment and dismissal

Article 6

1. The members of the Board shall be appointed by Shell Petroleum.
2. The Board shall consist of an equal number of A members and B members.
3. The A members shall be appointed by Shell Petroleum as representatives of the member companies. The B members shall be appointed by Shell Petroleum in accordance with the wish of the majority of the participants in the service of the most important member companies whom Shell Petroleum regards as representative of the participants or of one or more categories of participants.
4. Shell Petroleum shall appoint one of the A members as Chairman and one or more as Deputy Chairman.
5. Only those who have a minimum of two years of Group service and are in the service of one of the Group companies, shall be eligible for appointment as an A member.
6. Subject to the provisions of paragraph 7, only those who have a minimum of two years of Group service and are in the service of one of the Group companies shall be eligible for appointment as a B member.
7. Those who have had at least two years of Group service and have left the service of a Group company with the grant of a normal, early, deferred or disability pension shall likewise be eligible for appointment as a B member.
8. Membership of the Board of Board members appointed in accordance with paragraphs 5, 6 or 7 shall automatically terminate as soon as the member ceases to satisfy any one or more of the requirements for eligibility stated in the relevant paragraph.
9. Any appointment as referred to in paragraph 1 and any engaging of other persons determining or co-determining policy shall only be effected if De Nederlandsche Bank, in pursuance of the verification procedure it is to conduct with regard to the expertise and trustworthiness of any person to be appointed, has raised no objection to the intended appointment within the periods set for that purpose.

10. Without prejudice to the statutory provisions relating to dismissal of members of the Board, Shell Petroleum shall at the request of the Board to that effect, relieve a dysfunctional member of the Board of his duties. A resolution to submit such a request may only be passed with the consent of all members of the Board, with the exception of the Board member in question.

Roster of resignation and interim appointments

Article 7

1. Without prejudice to the provisions of the following paragraphs and the provisions of Article 6, paragraph 8 and paragraph 10, an appointment as a member of the Board shall in each case be for a period of three years. Without prejudice to the requirements for eligibility, retiring members of the Board may be immediately reappointed.
2. The order of resignation shall be arranged by a roster fixed by the Board. In the event of a change in the number of members of the Board, the Board may change the roster and bring the resignation dates forward. The appointment of members appointed in the course of a calendar year in the event of enlargement of the Board shall be until the 1st January of the third calendar year thereafter.
3. The members who are appointed in the place of members whose membership of the Board ceased in a year other than that in which they should have resigned according to the roster shall take the place of their predecessors on the roster. Their appointment shall be for the period up to the date when their predecessors would have retired according to the roster.

Article 8

To fulfil its task, the Board shall be assisted by an actuary, an auditor and one or more managers (directeuren) who shall be appointed and removed by Shell Petroleum. The Board shall have the authority to appoint attorneys-in-fact with general or specific authorities.

Article 9

The Board may transfer in whole or in part any of the authorities conferred upon them by this Constitution and the Regulations to a manager or to two or more of such officers jointly or to other suitable persons or institutions.

The Board may at any time revoke such transfer.

Article 10

The members of the Board shall receive no remuneration.

Meetings

Article 11

1. The Board shall meet as often as deemed necessary by the chairman, or in his absence or if he is prevented from acting, by the person who replaces him as such, or by at least half the members.
2. Any member of the Board shall be entitled to consult an expert, and also, by virtue of a Board resolution supported by at least one-fourth of the Board members, to call in the assistance of an expert at the meeting. The Board shall pass a resolution on the reimbursement of the costs involved in consulting an expert as referred to in the preceding sentence. Insofar as the costs are reasonable, they shall be charged to the Pension Fund.

3. The resolutions at meetings of the Board, subject to the provisions of the first sentence in the preceding paragraph and subject to the provisions of Article 6, paragraph 10, Article 23, paragraph 2, Article 26, paragraph 3, Article 28, paragraphs 2 and 3, and Article 30, paragraph 2, shall be passed by a majority of the votes cast. Blank votes shall be invalid.
4. Members of the Board absent from the meeting may have themselves represented by another member. In the case of the passing of resolutions as referred to in Article 23, paragraph 2, Article 26, paragraph 3, Article 28, paragraphs 2 and 3, and Article 30 paragraph 2, members of the Board absent from the meeting shall be required to authorize their designated representatives in writing.
5. The meetings of the Board shall be attended by at least one of the managers in an advisory capacity.
6. Minutes shall be kept of the proceedings at the meeting, the approval of which shall be evidenced by the signatures of the chairman and of one member present at the meeting.

Article 12

It shall also be possible to pass resolutions outside meetings if all the members have been notified of the proposal and, subject to the provisions of Article 6, paragraph 10, the provisions of the first sentence of Article 11, paragraph 2, and the provisions of Article 23, paragraph 2, Article 26, paragraph 3, Article 28, paragraphs 2 and 3, and Article 30, paragraph 2, the majority of them have expressed their agreement therewith. A record shall be kept of resolutions so passed in the minutes of the following meeting of the Board.

Authorities of signature


Article 13

The Pension Fund shall be represented at law and otherwise by the Board. The authority of representation shall also be vested in a member of the Board, a manager or an attorney-in-fact, together with a member of the Board, a manager or an attorney-in-fact.

Accountability Council

Article 14

1. There is an Accountability Council comprising six members. The member companies, participants and pension beneficiaries are represented equally on the Accountability Council. In Articles 14 and 15, 'pension beneficiaries' shall be deemed to include persons to whom a deferred early pension that has not yet commenced has been granted; and 'participants' shall be deemed to include persons to whom a part-time pension has been granted.
2. Once a year, the Board shall give an account to the Accountability Council regarding its policies and how the policies were implemented and compliance with the principles for pension fund governance as referred to in Section 33 (2) of the Pension Act, by the following means:
 - a. As soon as possible after the annual report and the annual accounts have been finalized, the Board shall provide a copy of them to the Accountability Council, together with the findings of Internal Supervision, as well as other information relating to the previous calendar year that the Board deems relevant.
 - b. The Board shall then meet with the Accountability Council at least once a year to discuss the policies pursued and the results thereof, as well as the findings of Internal Supervision and any (intended) Board resolutions based thereupon.

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- c. The Accountability Council provides an assessment in respect of the Board's actions, the policies pursued by the Board and the Board's policy choices for the future.
 - d. The Board provides the Accountability Council with a substantiated response in writing to the Accountability Council's assessment before the end of that calendar year.
 - e. The assessment of the Accountability Council and the Board's reaction to this are incorporated into the subsequent annual report of the Pension Fund.
 3. The Board shall afford the Accountability Council the opportunity to exercise its advisory powers in respect of any intended resolution of the Board to:
 - a. determine and amend the payment arrangement for Board members;
 - b. amend the policy with regard to the Accountability Council;
 - c. the form, organization and composition of Internal Supervision;
 - d. determine and amend the Complaints Procedure as provided for in Article 31;
 - e. determine and amend the communication and information policy.
 4. If so requested, the Board is obliged to provide in due time all information and data to the Accountability Council that it may reasonably need for the fulfilment of its responsibility as provided for in paragraphs 2 and 3. The information shall be provided in writing if so requested.
 5. The Accountability Council is entitled to consult with the Board, the auditor as provided for in Article 24, paragraph 3, and the actuary as provided for in Article 25, insofar as it may reasonably need such consultations for the fulfilment of its responsibility as provided for in paragraphs 2 and 3.
 6. The Accountability Council may submit a request pursuant to the right of inquiry, as provided for in Chapter 8, Section 2 of Book 2 of the Civil Code, to the Enterprise Section of the Amsterdam Court of Appeal, if Internal Supervision has expressed its opinion in this regard prior to the submission of said request. A decision to submit such a request may only be made during a plenary meeting and with the consent of at least five of the six members of the Accountability Council.

Method of appointment and composition of the Accountability Council, criteria for appointment and dismissal

Article 15

1. The members of the Accountability Council shall be appointed by the Board.
2. The Accountability Council shall comprise A members, B members and C members in equal number.
3. The A members shall be appointed as representatives of the member companies on the recommendation of Shell Petroleum. The B members shall be appointed as representatives of the participants. The C members shall be appointed as representatives of the pension beneficiaries. The B and C members shall be appointed on the recommendation of bodies or institutions designated by the Board as being representative of the participants and pension beneficiaries.
4. The Board shall appoint one A member as Chairman and one as Deputy Chairman of the Accountability Council.
5. Only those shall be eligible for appointment as an A member who have a minimum of two years of Group service and are in the service of one of the Group Companies, who are not Board members or who, pursuant to

Article 13 of the Constitution, are entitled to represent the Pension Fund in any other capacity, and who are not members of the Members' Council or of Internal Supervision.

6. Without prejudice to the provisions of paragraph 7, only those are eligible for appointment as a B member who have a minimum of two years of Group service and are in the service of one of the Group Companies, who are not Board members or who, pursuant to Article 13 of the Constitution, are entitled to represent the Pension Fund in any other capacity, and who are not members of the Members' Council or of Internal Supervision.
7. Those shall likewise be eligible for appointment as a B member who have had at least two years of Group service and have left the service of a Group Company with the grant of a disability pension, who are not Board members or who, pursuant to Article 13 of the Constitution, are entitled to represent the Pension Fund in any other capacity, and who are not members of the Members' Council or of Internal Supervision.
8. Those shall be eligible for appointment as a C member who have had at least two years of Group service and have left the service of a Group Company with the grant of a normal, early or deferred early pension, who are not Board members or who, pursuant to Article 13 of the Constitution, are entitled to represent the Pension Fund in any other capacity, and who are not members of the Members' Council or of Internal Supervision.
9. In its designation of the bodies or institutions as provided for in the final sentence of paragraph 3 of the present Article, the Board may impose certain criteria for eligibility upon said bodies or institutions in order to safeguard the quality and effectiveness of the working method of the Accountability Council.
10. Membership of the Accountability Council of members appointed in accordance with paragraphs 5, 6, 7 or 8 shall automatically terminate as soon as the member ceases to satisfy one or more of the requirements for eligibility stated in the relevant paragraph or other criteria imposed by the Board in respect of eligibility for appointment to the group to which said member belongs.

Roster of resignation and interim appointments to the Accountability Council

Article 16

1. Without prejudice to the provisions of the following paragraphs and the provisions of Article 15, paragraph 10, an appointment as a member of the Accountability Council shall be for a period of three years in each case. Without prejudice to the requirements for eligibility, retiring members of the Accountability Council may be immediately reappointed but at most twice during an uninterrupted period.
2. The order of resignation shall be arranged by a roster fixed by the Board after consulting the Accountability Council.
3. The members who are appointed in the place of members whose membership of the Accountability Council ceased in a year other than that in which they should have resigned according to the roster shall take the place of their predecessors on the roster. Their appointment shall be for the period up to the date when their predecessors would have retired according to the roster.

Article 17

The members of the Accountability Council shall receive no remuneration.

Members' Council

Article 18

1. There is a Members' Council consisting of at least six and at most twelve members, which number shall be fixed from time to time by Shell Petroleum. In the Members' Council the participants and the pension beneficiaries shall be proportionally represented, subject to the proviso that each of these categories shall at all times be represented on the Members' Council by at least two members. In Articles 18 and 19, 'pension beneficiaries' shall be deemed to include persons to whom a deferred early pension that has not yet commenced has been granted; and 'participants' shall be deemed to include persons to whom a part-time pension has been granted.
2. The Members' Council advises the Pension Fund on request or at its own initiative regarding matters concerning the Pension Fund. The Members' Council shall at any rate have the opportunity to give its advice in respect of any intended resolution of the Board to:
 - a. take measures of a general nature;
 - b. make amendments to the Constitution and Regulations of the Pension Fund;
 - c. adopt the annual accounts, the annual report and the other data as referred to in Article 24, the budget, the actuary's report as referred to in Article 25, the Actuarial and Operating Memorandum as referred to in Article 27 and a long-term or short-term recovery plan;
 - d. reduce the accrued pension entitlements and pension rights in the event the provisions of Article 25 paragraph 3 are applied;
 - e. establish and amend the policy on supplements;
 - f. transfer the Pension Fund's liabilities in part or in whole or the taking over of liabilities by the Pension Fund;
 - g. dissolve the Pension Fund;
 - h. enter into, amend or terminate an administration agreement;
 - i. make restitutions or grant reductions on contributions as referred to in Section 129 of the Pension Act.The advice of the Members' Council must be sought at such a time that it may have a substantive influence on the resolutions as referred to above. In seeking the advice of the Members' Council, an overview shall be provided of the motivation for the resolution in question, as well as of the consequences that may be anticipated for the legitimate claimants and pension beneficiaries.

If so requested, the Board is obliged to provide in due time all information and data to the Members' Council that it may reasonably need for the fulfilment of its responsibility. The information shall be provided in writing if so requested.
3. The Members' Council shall have the authority to establish, and after establishment to amend, a set of regulations laying down its internal procedures. Before such regulations are established or amended, the Board shall be afforded the opportunity to issue its opinion on the proposed regulations or the proposed amendments.
4. The Board and the Members' Council shall meet at least twice every calendar year to discuss matters that the Board or the Members' Council considers desirable. Such meetings shall also be attended by the managers.
5. The Board notifies the Members' Council as soon as possible in writing, when it will not follow in full or in part the advice of the Members' Council, and shall in each case indicate why it will depart from the advice or from any minority advice contained therein.
6. The Pension Fund shall meet the costs of the conducting of legal proceedings by the Members' Council, if such proceedings are reasonably necessary for fulfilling the responsibility of the Members' Council and the Pension Fund receives prior notification of the costs to be incurred. The Members' Council cannot be ordered to pay costs arising from legal proceedings between the Pension Fund and the Members' Council.

Method of appointment of the Members' Council, eligibility for appointment

Article 19

1. The members of the Members' Council shall be appointed by Shell Petroleum on the nomination of designated bodies or institutions, which may be considered representative of the participants and the pension beneficiaries respectively.
2. Only those who are themselves participants, have at least two years of service with the Group, are employed and/or resident in the Netherlands and are neither a member of the Board nor authorized in another capacity by virtue of Article 13 of the Constitution to represent the Pension Fund shall be eligible for appointment as representatives of the Pension Fund participants.
3. Only those who have had at least two years of service with the Group, have left the service of a Group company with the grant of a normal, early or deferred early pension, are resident in the Netherlands and are neither a member of the Board nor authorized in another capacity by virtue of Article 13 of the Constitution to represent the Pension Fund shall be eligible for appointment as representatives of the pension beneficiaries.
4. Shell Petroleum may in designating the bodies or institutions as referred to in paragraph 1 impose further eligibility requirements to assure the representativeness of the members of the Members' Council and the quality and effectiveness of the procedures of and consultation with the Members' Council.
5. Membership of the Members' Council shall automatically terminate as soon as a member ceases to satisfy any one of the requirements as referred to in paragraphs 2, 3 or 4 or further eligibility requirements for the category in which the member falls.

Retirement and interim appointment of members of the Members' Council

Article 20

1. Without prejudice to the provisions of the following paragraphs and the provisions of Article 19, paragraph 5, an appointment to the Members' Council shall in each case be for a period of three years, commencing on the 1st March and terminating on the last day of the month of February in the third calendar year following.
2. Without prejudice to the provisions of Article 19, paragraph 5, the membership of members who are appointed in the stead of those whose membership of the Members' Council has terminated on a date other than in accordance with the provisions of paragraph 1, shall terminate on the date when their predecessors would have had to retire in accordance with paragraph 1.
3. Without prejudice to the eligibility requirements, retiring members of the Members' Council shall be eligible for reappointment immediately but at most twice during an uninterrupted period.

Article 21

The members of the Members' Council shall receive no remuneration.

Records

Article 22

A record shall be kept of all participants, former participants, legitimate claimants, pension beneficiaries and all persons who have rights to a pension, of all deaths and of all other matters necessary for the proper implementation of this Constitution and the Regulations.

Assets

Article 23

1. The assets of the Pension Fund are formed by the foundation moneys, the contributions to the Pension Fund, the accrued interest and any further income.
2. With regard to moneys not immediately required, the Pension Fund shall conduct an investment policy in accordance with the prudent-person rule and other provisions in this regard under and pursuant to the Pension Act. The Board is authorized to issue further investment instructions. Before the Board may resolve to issue instructions, the intended resolution in this regard must be discussed at a Board meeting at which all members are present or represented, and at least six-eighths of the members present or represented at the meeting must have declared themselves in favour of the proposal. The Board will then consult with Shell Petroleum and, to the extent required by law, afford the Members' Council the opportunity to issue its advice in respect of the Board's intended resolution. On receipt of the advice of the Members' Council, the Board may:
 - a. at a meeting at which all members are present or represented; or
 - b. without holding a meeting, provided all the members have been notified of the proposal and have cast their votes in this regard;pass a final resolution with a majority of at least six-eighths of the members. If the content of the final resolution to be passed differs from the intended resolution, the final resolution shall not be passed until the Board has consulted Shell Petroleum in this regard.
3. Total investments in Royal Dutch Shell plc and Group companies are maximized at 10 per cent of the portfolio. These investments are made prudently, giving due consideration to the need for adequate diversification.

Financial year

Article 24

1. The financial year shall coincide with the calendar year.
2. The Board shall compile annually an overview on the position of the Pension Fund as at the end of the last financial year in the form of a set of annual accounts, an annual report and other information in accordance with legal requirements.
3. The overview shall be furnished with a statement signed by the auditor relating to the fair and true representation of the overview, as provided for by Article 393, paragraph 1 of Book 2 of the Civil Code. The auditor shall have free access to all the books and records of the Pension Fund and shall be furnished with all the information which he considers necessary for the fulfilment of his task. The auditor shall report in writing to the Board.
4. Every year within six months after the expiration of the financial year, the Board shall submit to De Nederlandsche Bank a set of annual accounts, annual report and other information concerning the past

financial year as referred to in paragraphs 2 and 3, audited by the auditor, in which a full picture is given of the financial position of the Pension Fund and which shows, to the satisfaction of De Nederlandsche Bank, that the provisions of or pursuant to the Pension Act have been complied with and that the interests of the Pension Fund's stakeholders can be deemed to have been adequately safeguarded.

Actuarial investigation

Article 25


1. Each year, the certifying actuary shall investigate the financial position of the Pension Fund and report thereon in writing to the Board. The certifying actuary shall have free access to all the books and records of the Pension Fund and shall be furnished with all the information which he considers necessary for the fulfilment of his task.
2. In his report, the certifying actuary shall specify the contributions by member companies which are actuarially required to enable the Pension Fund to cover in full the pensions and other benefits and to form such extra reserves as he deems necessary for solvency and to cover the costs of the Pension Fund in consultation with the Board.
3. The Board may only reduce the accrued pension entitlements and pension rights in a situation as referred to in Section 134 (1) of the Pension Act. The resolution to do so, by amending one or more provisions of the Regulations, may only be passed after due consultation of the certifying actuary. The Board shall notify the legitimate claimants, pension beneficiaries and the Employing Companies in writing regarding its resolution to reduce pension entitlements and pension rights. The aforementioned reduction shall not take effect until at least one month after the legitimate claimants, pension beneficiaries, the Employing Companies and De Nederlandsche Bank have been notified of this.
4. The Board shall have the authority by amending the Regulations after consultation with the certifying actuary to cancel the amendment to the Regulations as referred to in the foregoing paragraph, if and insofar as the financial position of the Pension Fund subsequently permits. If and insofar as possible, the subsequent amendment may have retroactive effect.
5. Every year within six months after the expiration of the financial year, the Board shall submit to De Nederlandsche Bank an actuarial report regarding the Pension Fund, furnished with the declaration of the certifying actuary.

II Concerning the member companies

Admission

Article 26

1. The Pension Fund shall conclude a written Administration Agreement with Shell Petroleum. This Administration Agreement shall include provisions regarding the admission of other companies or bodies that belong to the Group. The applicable provisions of the Administration Agreement between the Pension Fund and Shell Petroleum shall be incorporated by reference in the administration agreements between the Pension Fund and the other member companies. The administration agreements between the Pension Fund and the other member companies shall also contain provisions to the effect that Shell Petroleum and the Pension Fund may agree amendments with respect to the Administration Agreement between them that shall have an automatic effect on the administration agreements between the Pension Fund and the other member companies.

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2. Without prejudice to the provisions of Article 5, paragraph 4, the Board is authorized to admit companies and bodies as referred to in paragraph 1 and to conclude written administration agreements with them as referred to in paragraph 1. The Pension Fund shall maintain a list of member companies.
 3. Before the Board can resolve to consent to conclude, amend or terminate an administration agreement, the intended decision in question must be discussed at a Board meeting at which all members are present or represented, and at least six-eighths of the members present or represented at the meeting must have declared themselves in favour of the proposal. The Board will then, to the extent required by law, afford the Members' Council the opportunity to issue its advice in respect of the Board's intended resolution. On receipt of the advice of the Members' Council, the Board may:
 - a. at a meeting at which all members are present or represented; or
 - b. without holding a meeting, provided all the members have been notified of the proposal and have cast their votes in this regard;pass a final resolution with a majority of a least six-eighths of the members.
 4. A member company which, as evidenced by notice in writing from Shell Petroleum to the Board, ceases to form part of the Group, shall no longer be regarded as a member company within the meaning of this Constitution and the Regulations as from a date to be fixed by Shell Petroleum. The company in question shall be notified of this as soon as possible.

III Final provisions

Actuarial and Operating Memorandum

Article 27

The Pension Fund operates in accordance with an Actuarial and Operating Memorandum in which the financial structure and basic principles of Pension Fund policy are set out and which contains a statement regarding the investment principles and which also complies with the provisions under and pursuant to the Pension Act. The Board shall submit the Memorandum as referred to in the foregoing sentence and any amendment thereof to De Nederlandsche Bank.

Amendments

Article 28

1. This Constitution and the Regulations may at any time be amended by the Board by notarial deed. There may, however, be no amendment of the objective of the Pension Fund as defined in Article 3. Furthermore, except in the case as referred to in Article 25, paragraph 3, no amendment of this Constitution or the Regulations shall have the effect of:
 - a. reducing the accrued pension entitlements, otherwise than that as referred to under b, or pension rights at the time of amendment, or
 - b. reducing the cash value of the accrued pension entitlements of a Participant, including the accrued pension entitlements to an associated partner's and orphan's pension not yet in payment, in respect of service prior to the amendment beyond an amount which the certifying actuary judges to be reasonably negligible.
2. Before the Board may resolve to amend the Constitution, the intended resolution in this regard must be discussed at a Board meeting in which all members are present or represented, and at least six-eighths of the members present or represented at the meeting must have declared themselves in favour of the proposal. The

Board will then consult with Shell Petroleum and, to the extent required by law, afford the Members' Council the opportunity to issue its advice in respect of the Board's intended resolution. On receipt of the advice of the Members' Council, the Board may:

- a. at a meeting at which all members are present or represented; or
- b. without holding a meeting, provided all the members have been notified of the proposal and have cast their votes in this regard;

pass a final resolution with a majority of a least six-eighths of the members. If the content of the final resolution to be passed differs from the intended resolution, the final resolution shall not be passed until the Board has consulted Shell Petroleum in this regard.

3. The provisions of paragraph 2 shall apply mutatis mutandis to amendments of the Regulations, but only insofar as said amendments will result in an increase in the Pension Fund's financial obligations or, in the judgement of the Board, in a material increase in the risk of the Pension Fund.
4. Contrary to the provisions of paragraph 1 under (a) and (b), the reductions as referred to therein may indeed be effectuated if and insofar as they are necessary in order to comply with any statutory regulation or if and insofar as the tax authorities rule that the pension entitlements concerned are excessive and such reductions of entitlement result in those pension entitlements being brought down to a permissible lower level.

Situation after Shell Petroleum has exercised the authority as referred to in Article 18 of the Administration Agreement between the Pension Fund and Shell Petroleum

Article 29

1. As soon as possible after the date when Shell Petroleum has exercised the authority as referred to in Article 18 of the Administration Agreement between the Pension Fund and Shell Petroleum, the certifying actuary shall institute an investigation into the situation of the Pension Fund and submit a written report to the Board in this regard.
2. With effect from the date as referred to in paragraph 1, the Board, taking into consideration the Pension Fund's liabilities regarding the pension entitlements of legitimate claimants arising before that date, otherwise than those of participants and the pension rights of pension beneficiaries, shall make provision for granting pension entitlements or other benefits to participants in respect of the pension entitlements accrued up to and including said date (including the partner's and orphan's pensions associated with those entitlements and any pensions for a participant's dependants), all this with due observance of such rules and such amounts as the Board, following consultations with the certifying actuary and Shell Petroleum, shall determine in accordance with the requirements of reasonableness and fairness.
3. The participants' entitlements to pensions or other benefits as referred to in the preceding paragraph shall take the place of those which, under the Regulations of the Pension Fund, would otherwise have been received by the persons as referred to therein.
4. The Board shall have the authority to transfer the liabilities in respect of pension rights, pension entitlements and other benefits which, after the date as referred to in paragraph 1, may be incumbent or become incumbent upon the Pension Fund to one or more other Group pension funds or to one or more reputable insurance companies or other institutions.

5. After consultation with the certifying actuary and subject to the provisions of this Article, the Board shall have the authority to make further arrangements with regard to the consequences of a situation as referred to in this Article.

Dissolution

Article 30

1. The Board shall have the authority to dissolve the Pension Fund, but only if a situation arises as referred to in Article 29.
2. The Board shall consult Shell Petroleum before resolving to dissolve the Pension Fund. The intended resolution in this regard must then be discussed at a Board meeting in which all members are present or represented, and at least six-eighths of the members present or represented at the meeting must have declared themselves in favour of the proposal. The Board will then, to the extent required by law, afford the Members' Council the opportunity to issue its advice in respect of the Board's intended resolution. On receipt of the advice of the Members' Council, the Board may:
 - a. at a meeting at which all members are present or represented; or
 - b. without holding a meeting, provided all the members have been notified of the proposal and have cast their votes in this regard;pass a final resolution with a majority of at least six-eighths of the members. If the content of the final resolution to be passed differs from the intended resolution, the final resolution shall not be passed until the Board has consulted Shell Petroleum in this regard.
3. The liquidation of the Pension Fund shall be carried out by the Board.
4. Vacancies arising on the Board during the liquidation shall be filled by the Board.
5. In the event of liquidation the Pension Fund must implement collective value transfer to another pension provider in accordance with the provisions of Section 84 of the Pension Act.
6. Any balance remaining after said transfer shall be devoted to such social object as the Board may select, preferably in the interest of the persons in the service of the Group and of those who have obtained a pension under one of the Regulations, as well as of the dependants of both.

Complaints Procedure

Article 31

The Board shall adopt a Complaints Procedure.

Contingencies

Article 32

In any case not provided for by this Constitution or the Regulations, the Board shall decide.

Disputes

Article 33

All legal relationships with respect to this Constitution and the Regulations existing between the Pension Fund, a member company and/or participant, former participant, other legitimate claimant or pension beneficiary, shall be subject to the Laws of the Kingdom of the Netherlands.

All disputes ensuing from or connected with this shall, with due observance of the provisions of the Complaints Procedure established by the Pension Fund, be submitted to the competent court at The Hague.

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