

Stichting Shell Pensioenfonds

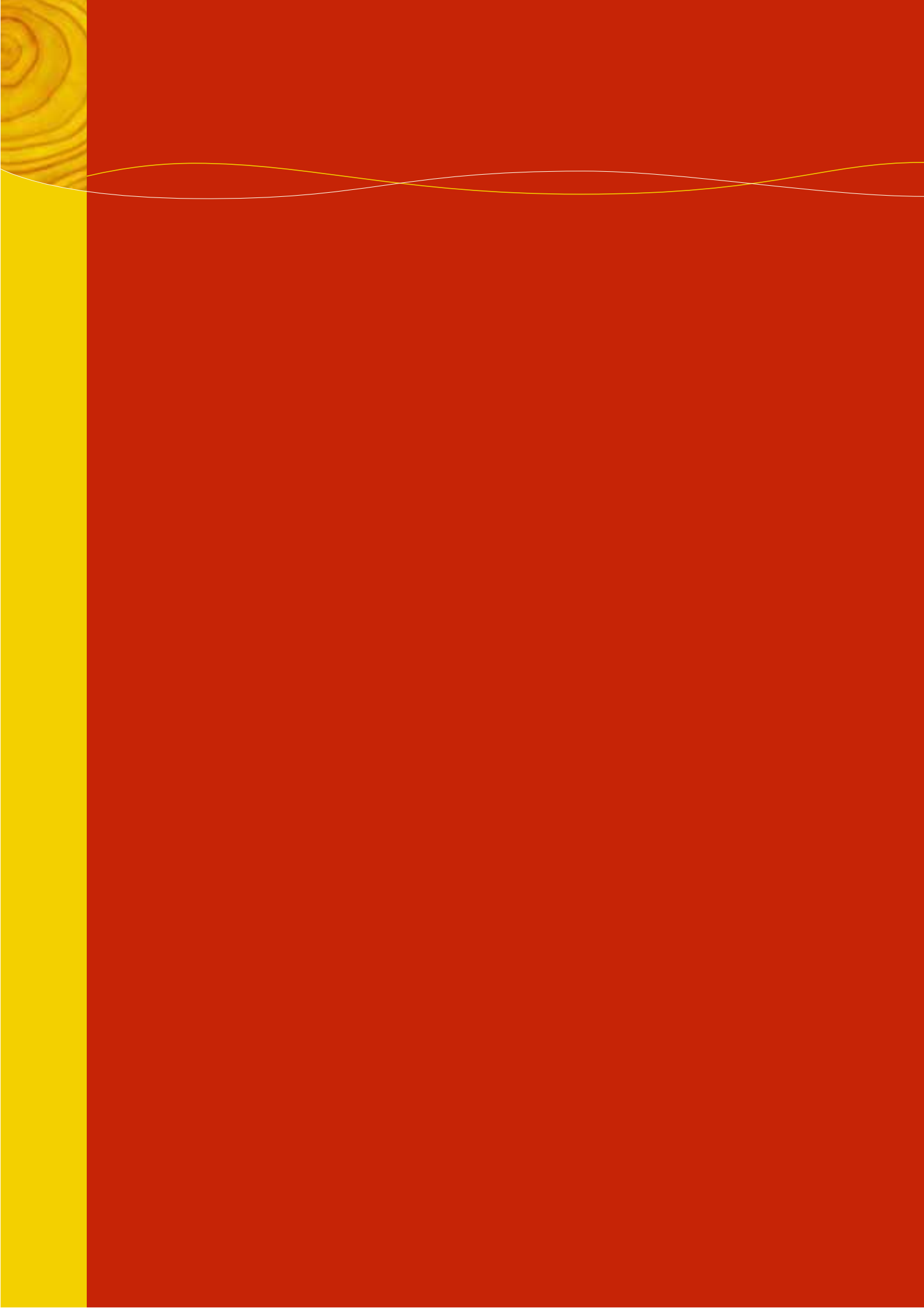
Your pension at Shell



The new scheme in brief

INFORMATION FOR EMPLOYEES WHO WERE PARTICIPANTS PRIOR TO 1 JANUARY 2006





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This brochure has been produced for all employees who were Pension Fund participants on 31st December 2005 and in Shell service on 1st January 2006.

The wording of the brochure assumes that pension entitlements as accrued on 31st December 2005 under the former scheme have been transferred to the scheme effective as from 1st January 2006. There are two exceptions: participants born before 1950 who have opted to continue accruing entitlements in line with the former scheme, and participants who have opted not to transfer their accrued entitlements. Further information on these exceptions is to be found on page 12.

Throughout this brochure: salary = 12 months' salary plus the extra payments in April and/or December.

All money amounts stated in this brochure are effective as of 1st January 2006 and are subject to change.

The new pension scheme as from 1st January 2006

On 1st January the new pension scheme entered into effect, with an official retirement age of 65. The new scheme provides greater flexibility and you can decide yourself when, between the ages of 55 and 65, you actually retire. For everyone the basic rule is: the longer you remain in employment, the higher your pension income will be when you stop working. Your pension entitlements, as accrued on 31st December 2005, have been transferred to the new scheme.

Current status

The decision making process on the new pension scheme has been completed. The Board has formally established the Regulations embodying the new scheme, after the Members' Council had issued its advice. As of 1st January 2006 the new pension scheme came into force and Regulations V entered into effect. The introduction of the new scheme and new legislation have also made it necessary for the Pension Fund's Constitution to be revised. The new pension scheme, the new Regulations and the revised Constitution will apply to everyone who was a Pension Fund participant on 1st January 2006. All participants will receive a copy of Regulations V and the Constitution. Under the new scheme the official retirement age has been raised to 65, as is the case in most other pension schemes in the Netherlands. More options have been made available, and there is greater flexibility as regards the age at which you can actually retire.

Retiring under the old scheme

Under the scheme effective prior to 1st January 2006, your retirement date – termed Normal Retirement Date or NRD – was generally the last day of the month in which you turned 60. If you had remained in Shell employment until your retirement date, you would have been paid what was termed a 'normal pension' as from your retirement. This consisted of a lifelong portion and a temporary portion (see graph 1 on page 14). From your retirement date (i.e. usually at the age of 60) until age 65 you would have received, in addition to your lifelong pension, a transitional pension from the Pension Fund to compensate for the fact that your AOW (Dutch State Pension) had not yet

entered into effect. On top of that, you would have received what was termed the under-65 allowance in view of the fact that in the Netherlands you pay more tax and social security contributions before the age of 65 than thereafter.

Retiring under the new scheme

Under the new pension scheme, the official retirement age is 65, but you can decide yourself when, between the ages of 55 and 65, you will actually retire. The choice is yours: a higher retirement pension or retiring early. The pension entitlements you had already accrued as of 31st December 2005 have been transferred to the new scheme. You can use part of that entitlement in order to retire early.



Moreover, under the new scheme you are temporarily accruing extra pension on that part of your pension that exceeds the maximum of salary group 6 (€ 59,836). You can likewise use that extra accrual in order to bring forward your actual retirement age. On the other hand: the longer you remain in employment, the higher your pension income will be when you stop working.

Life Cycle Savings Scheme can facilitate early retirement

The Life Cycle Savings Scheme (Levenslooplegeling), introduced on 1st January 2006, is a statutory savings scheme that is separate from the pension scheme. By means of the Life Cycle Savings Scheme you can save part of your gross salary to finance a period of unpaid leave in the future. Such leave may be a prolonged leave of absence in the course of your career, or a period of leave immediately preceding the commencement of your pension.

More information about the Life Cycle Savings Scheme can be found in the 'Life Cycle Savings Scheme' brochure on the Shell in the Netherlands HR intranet site.



THE PENSION SCHEME IN A NUTSHELL

- The official retirement age is 65.
- You can decide yourself when, between the ages of 55 and 65, you actually retire. The rule is simple: the longer you remain in employment, the higher your pension income will be.
- Your pension is based on your final salary.
- If you are paid a pensionable salary supplement, such as the shiftwork supplement, it will be factored into your pension according to the number of years you actually receive that supplement, i.e. pro rata, as from 1st January 2006.
- Because you were already a Pension Fund participant prior to 1st January 2006, you will accrue additional pension on that part of your salary that exceeds the maximum of salary group 6 (€ 59,836) for a maximum of 15 years as from 1st January 2006.
- You can use part of your entitlement, as accrued on 31st December 2005, towards a higher pension or in order to retire early.
- All employees pay pension contribution. The employee's contribution amounts to 2% of the pension contribution basis (i.e. salary plus pensionable supplements) up to and including the maximum of salary group 5 (€ 70,392), plus 8% of any pension contribution basis above that limit.

The value of your entitlements as accrued on 31st December 2005

Your pension under the former scheme comprised several elements which together determined the level of your pension and thereby its value. These pages broadly explain the pension elements in question and how they have been factored into your pension income under the new scheme.

Lifelong pension and temporary components

On 31st December 2005 you had accrued entitlements to a lifelong pension as from your NRD (mostly at the age of 60), plus a transitional pension and under-65 allowance for the period between your NRD and your 65th birthday. These entitlements were based on the number of pension years you had accrued by that date.

Tropical and fleet service

If you were entitled to extra pension years on account of tropical or fleet service prior to 1st January 2006, they will have been added to your pension years.

Shiftwork supplement

If you were deployed on shiftwork prior to 1st January 2006, there are two possibilities.

1. You were being paid the shiftwork supplement on 31st December 2005. In that case, it does not matter how long you had been receiving this shiftwork supplement: for calculating your pension entitlements, it is assumed that you had always been paid this shiftwork supplement during your employment prior to 1st January 2006. Such entitlements are separately recorded.
2. You were not being paid the shiftwork supplement on 31st December 2005, but you were entitled to the APP (shiftwork supplementary pension). In that case, the APP amount is added to your pension basis on your retirement date.



Credit years

If you joined the Pension Fund prior to 1st January 1985, you may have been entitled to credit years on your NRD. These credit years were granted as part of your pension entitlements transfer on 31st December 2005. They have been added to your accrued pension years.

Transfer of accrued entitlements

The value of the above-mentioned pension entitlements was utilised on 1st January 2006 to 'buy' pension years under the new scheme. Just as many years have been purchased as had been accrued under the former scheme, i.e. including any extra





pension years from tropical or fleet service, credit years or past transfers of pension entitlements from a previous employer to the Pension Fund. In addition, part of the value of these pension entitlements has been utilised in order to bring the partner's pension entitlement under the new scheme up to the same level as under the former scheme. Because the new scheme is more sober than the former one, the value of your accrued pension entitlements is higher than needed to buy the same number of pension years under the new scheme and supplement the partner's pension. Some value is therefore left over, and this forms what is termed the 'transitional module'. You can utilise this transitional module to attain a higher retirement pension or to retire early.

Other pension elements

Compensation for uninsured years

This compensation will no longer be accrued as from 1st January 2006. If you had been in Shell service abroad and were entitled on 31st December 2005 to what is termed 'compensation for uninsured years' (i.e. to cover an AOW shortfall) on that account, this entitlement will be preserved: when you turn 65 it will simply be paid out with your pension as was the case under the former scheme. See also under 'Service abroad' on page 19.

Defined debt to the Pension Fund

If you owe the Pension Fund a defined debt, it will remain effective and be set off against your pension.

Deduction of other pensions or benefits

Finally, there are certain pension entitlements that will be deducted from your pension under the new scheme, just as they were under the former scheme. This may be the case if you worked abroad in the past and accrued entitlement to one or more foreign state pensions while doing so. If you were in the service of Shell Tankers, you may be entitled to a pension from the Pension Fund for the Seafaring Trade (Bedrijfspensioenfonds voor de Koopvaardij, BPFK). Any pension that you had accrued on 31st December 2005 in this way will be deducted from your retirement pension. However, any entitlements to such pensions that you accrue as from 1st January 2006 will not be deducted from your pension.

If you are entitled to statutory disability benefit such as WAO or WIA and you retire before you turn 65, that benefit is deducted from your pension until you reach the age of 65.

The broad outlines of the new scheme

Many elements of the pension scheme remain unchanged from the former scheme effective prior to 1st January 2006. Every pension scheme participant accrues entitlements to retirement pension, partner's pension and orphan's pension, and is insured against disability. The pension is based on final salary. Its level depends on your salary, the number of pension years you have accrued and the age at which you wish it to enter into effect.

Retirement pension

As from your retirement date you will receive retirement pension. This pension is determined from your pension basis and the number of pension years you have accrued by the time you terminate employment.

Pension basis

Your pension basis is your salary. If you are paid a pensionable supplement such as a shiftwork supplement, this is henceforth factored pro rata into your pension basis. Your pension basis is always determined on a full-time employment basis. If you are entitled to APP (shiftwork supplementary pension), the APP amount is added to your pension basis when you retire.

Example 1: Shiftwork as from 2006

Mr. De Vries enters service in 2006. He accrues 30 pension years in total. During that period he is deployed for 15 years in total on shiftwork, receiving a shiftwork supplement of 30 per cent on 12 months' salary. His salary on his retirement date is € 50,600, being 12 months' salary plus the extra payments in April and December, equivalent to 14 months salary in total. Mr. De Vries's pension basis is then $(100\% + 15/30 \times 12/14 \times 30\%) \times € 50,600 = € 57,106$.

Example 2: Shiftwork partly before and partly after 2006

Mr. Dijkma entered service in 1990 and retires in 2020. On his retirement date, Mr. Dijkma will have accrued 30 pension years. From 1995 to 2009 inclusive (i.e. for 15 years) Mr. Dijkma is deployed on shiftwork, receiving a shiftwork supplement of 30 per cent. Mr. Dijkma's pension entitlements as accrued over the period from 1990 to 31st December 2005 have been transferred to the new scheme, giving him 16 pension years under the new scheme plus his transitional module. Even though he had only served 11 years of shiftwork as of 1st January 2006, all 16 years are counted as shiftwork years. From 2006 to end 2009, Mr. Dijkma accrues an additional 4 years' pension on his shiftwork supplement under the new scheme. On his retirement date his salary is € 42,500. Mr. Dijkma's pension basis is then: $(100\% + 20/30 \times 12/14 \times 30\%) \times € 42,500 = € 49,786$. In addition he has his transitional module.





INDEXATION IN BRIEF

Indexation is the adjustment by a certain percentage of pensions that have entered into effect and/or are deferred (non-contributory pension entitlements).

Unconditional indexation

Indexation is unconditional for certain pension elements. These are specified in the Regulations. They are adjusted annually as of 1st July, and this is done automatically. Funds are reserved for this purpose. These elements include:

- compensation for uninsured years as accrued on 1st January 2006; this is adjusted in line with the evolution of AOW benefit;

- disability pensions in payment; these are recalculated in line with the evolution of salary maximums at Shell;
- partner's and orphan's pensions in payment, as long as the deceased participant's retirement date has not yet been reached; these are adjusted in line with the evolution of Shell salary group 15.

Conditional indexation

For all other pensions in payment and non-contributory pension entitlements, indexation is conditional. Each year the Board decides whether such an adjustment will be effected: the general principle is that the Pension Fund endeavours to align pension

entitlements with the rise or fall of the derived consumer price index, as determined by the Central Bureau of Statistics (CBS), over the reference period of March of the current year to March of the preceding year.

On the basis of a continuity analysis, it can be expected that in the long term about 92 per cent of the maximum indexation will be granted. No funds have been reserved for future indexation.

Additional note

The Board may also decide, in view of a.o. developments in social security, healthcare or Shell salaries in the Netherlands, to grant a supplement in addition to the conditional indexation laid down by the Regulations. Any decision to grant such a supplement is at the discretion of the Board.

Detailed explanations of all aspects will be given in a separate brochure.

Pension years

If you work full-time, the number of pension years you accrue is the same as the number of service years. If you work or have worked part-time, such years of service are factored in according to your part-time working percentage. In that case, therefore, you have fewer pension years than service years. Conversely, you may have more pension years than service years - for instance, if you have accrued extra pension years from tropical or fleet service, if you have credit years, or if you have arranged for pension entitlements from a previous employer to be transferred.

Accrual percentages

For each pension year, you accrue pension entitlements according to certain percentages of your pension basis.

Example

Ms. Roos has 31 pension years, 17 of which were accrued as from 1st January 2006. On her retirement date her pension basis is € 110,000 and she has accrued the following pension entitlements (figures rounded off):

1.1% on	€ 26,796	= €	295
2.0% on	(€ 59,836 - € 26,796)	= €	661
1.75% on	(€ 100,184 - € 59,836)	= €	706
1.5% on	(€ 110,000 - € 100,184)	= €	147
			€ 1,809
			x 31 = € 56,079
extra accrual			
0.25% on	(€ 100,184 - € 59,836)	= €	101
0.25% on	(€ 110,000 - € 100,184)	= €	24
			€ 125
			x 15 = € 1,875
			Total € 57,954

In addition, Ms. Roos has her transitional module.

Transitional module

The value of your accrued pension entitlements as of 31st December 2005 was higher than was needed to purchase the same number of pension years under the new scheme and to supplement your partner's pension. See also: 'Transfer of accrued entitlements' on page 6. The surplus value as of 31st December 2005 (the 'transitional module') is expressed as a percentage of your salary on that date. This percentage is fixed. As and when your Shell employment is ended, this percentage is multiplied by your salary at that time to produce a sum that is linked to a retirement age of 65. On your (chosen) retirement date you can utilise the value of that sum for an early commencement of pension and/or for a temporary pension and/or for an increase of your retirement pension. This applies pro rata to part-time pensions. The extent to which you will actually have this facility depends on the sum and on the retirement age you opt for.

Disability

If you become disabled, you will be eligible for a disability pension (arbeidsongeschiktheidspensioen; in the former scheme invaliditeitspensioen). The precondition is that you are chronically unable, due

to sickness or an accident, to earn more than 35 per cent of your current salary. The Pension Fund decides on the existence of such disability: a Shell physician designated by the Pension Fund makes the assessment in the light of advice. While the disability pension is being paid, your retirement pension continues to accrue until you turn 65. You are not required to pay any contributions towards this. You will accrue not more than 100 per cent of your pension basis, at which point accrual ceases. Due to the value transfer of pension entitlements accrued on 31st December 2005 to the new scheme, this maximum may be exceeded in individual cases.

AOW benefit

As from the age of 65, you will be entitled to AOW, the Dutch State retirement pension. For each insured year, you accrue 2 per cent of AOW pension. You will be entitled to a full AOW pension if you were covered by this national insurance scheme from the age of 15 to the age of 65. You are insured for as long as you are resident in the Netherlands. In most cases, you are not insured during any periods of residence outside the Netherlands. See also 'Service abroad' on page 19.

pension basis ^(*)	accrual per pension year	extra accrual per pension year from 1 st January 2006 to 31 st December 2020
up to maximum of salary group 15 (€ 26,796)	1.1%	--
band between maximums of salary groups 15 and 6 (€ 26,796 to € 59,836)	2.0%	--
band between maximums of salary groups 6 and 3 (€ 59,836 to € 100,184)	1.75%	0.25%
band above maximum of salary group 3 (€ 100,184)	1.5%	0.25%

^(*) Pension basis = your salary plus pensionable supplements pro rata.



HOW ARE EMPLOYEE CONTRIBUTIONS CALCULATED?

All employees pay pension contributions. These are calculated on the pension contribution basis, which is your salary plus pensionable supplements. The contribution amounts to 2 per cent of the pension contribution basis up to the maximum of salary group 5 (€ 70,392) and 8 per cent of any pension contribution basis in excess of that maximum. The Board may decide to reduce the contribution. The minimum contribution is 2 per cent of the entire pension contribution basis.

If you work part-time, your contribution is multiplied by your part-time percentage.

Example: Mr. Verhagen has a salary of € 83,600. He pays 2 per cent of € 70,392 = € 1,408 plus 8 per cent of (€ 83,600 - € 70,392) = €1,057. In total this is € 2,465. Mr. Verhagen proceeds to work 60 per cent part-time. From then on the contribution he pays is 60% x € 2,465 = € 1,479.



Pension in event of predecease

In the event of your predecease, your partner will receive a partner's pension and any dependant children will receive an orphan's pension. In some cases, surviving dependants are also eligible for State benefit under the General Surviving Dependants Act (Algemene nabestaandenwet, Anw). Further information can be found on the website of the Ministry of Social Affairs and Employment [www.szw.nl, search term nabestaandenpensioen].

Partner's pension

If you are married, your spouse is entitled to a partner's pension. The same applies in a legally registered partnership. It may also be the case that you are not married but are living together with a partner, and have concluded a cohabitation agreement before a notary public. In that case, you can enrol your partner in the Pension Fund as your partner's pension beneficiary. If you acquire a partner after you retire, he/she will not be eligible for a partner's pension.

The partner's pension is 70 per cent of the participant's retirement pension. If your partner is younger than 65 at the time of your predecease, he will receive a partner's supplementary pension until that age is reached.

- If you are in Shell employment at the time of your predecease, the pension years you would have accrued until your official retirement age are factored into your partner's pension. If you are in receipt of a disability pension at the time of your predecease, the same rule applies.
- In the event of your predecease after you have left Shell employment, the pension years you have actually accrued are factored into your partner's pension.

Orphan's pension

If you have children at the time of your decease, they will receive an orphan's pension until they reach the age of 18 years. For as long as your child is attending a course of study, he will receive this pension until the end of the month of August following his 24th birthday.

The orphan's pension is 14 per cent of the sum total of partner's pension and partner's supplementary pension. Full orphans (both of whose parents have died) receive double.

Exceptions

Pension entitlements accrued under the former scheme have been transferred to the scheme effective as from 1st January 2006. There are two exceptions:

You were born before 1950 and have opted for accrual in line with the former scheme.

Your accrual formula and retirement date remain as they were prior to 1st January 2006. You will therefore continue to accrue lifelong pension, transitional pension and under-65 allowance. The fiscal limitation of temporary pension to € 16,161 (see page 15) does not apply. Other aspects are governed by the pension scheme effective as from 1st January 2006, except that you cannot retire at a later date. The other options are indeed available to you (see page 14). The accrual of your pension entitlements is shown in the table on page 13.

You have opted not to transfer your accrued entitlements.

In that case you acquire what is termed a deferred pension by virtue of the pension entitlements you had accrued by 31st December 2005.

Your deferred pension will enter into effect on your 'former' retirement date, in most cases at the age of



60. It is adjusted in the same way as pensions that have entered into effect. It does not, therefore, keep pace with any salary rises you may be awarded in future.

If you wish, you can opt to have your deferred pension enter into effect earlier, at any time as from the age of 55. You must, however, have left Shell service. The fiscal limitation of the temporary pension to € 16,161 does not apply. Alternatively, as long as you are in employment, you can opt to have your deferred pension enter into effect later, up to the age of 70. Further information on this can be found under 'The choices you can make' on page 16. The listed choices are also available to you, except that you cannot opt to have your deferred pension enter into partial effect, e.g. by opting for a part-time pension.

As from 1st January 2006 you recommence the accrual of pension entitlements under the new scheme. If at some time in the future you were to opt for a part-time pension, you would only be able to use the pension accrued since 1st January 2006 for that purpose.



Born before 1950 and opting for accrual formula in Regulations IV			
accrual per pension year as from 1st January 2006			
pension basis	retirement pension	transitional pension ^(*)	under-65 allowance ^(*)
up to maximum of salary group 15 (€ 26,796)	1.0%	1.7% maximum 35 years	0.5% maximum 35 years
band between maximums of salary groups 15 and 6 (€ 26,796 t/m € 59,836)	2.0%	--	0.5% maximum 35 years
band above maximum of salary group 6 (€ 59,836)	1.7%	--	--

^(*) Employees who were already on the payroll on 31st December 2004 fall under a transitional measure which may produce a higher result.

Your choice: retiring early or a higher pension

Under the new pension scheme, the official retirement age is at 65. Nonetheless, you yourself decide when, between the ages of 55 and 65, you actually retire. You can, therefore, take early retirement. However, the rule is: the earlier you retire, the lower your pension income will be. Conversely, you can remain in employment longer and accrue a higher pension.

Under the new pension scheme, the official retirement age is at 65. When your pension entitlements were transferred to the new scheme, no personal retirement date was determined for you. You yourself decide when, between the ages of 55 and 65, you actually retire. However, the rule is: the earlier you retire, the lower your pension income will be. The longer you have been in employment, the higher your accrued pension entitlements will be and the more possibilities you will have of retiring early. Alternatively, you can remain in employment longer and accrue a higher pension.

Pension income under the scheme prior to 1st January 2006

Under the scheme effective prior to 1st January 2006, a retirement pension generally entered into effect at the age of 60. Pension income

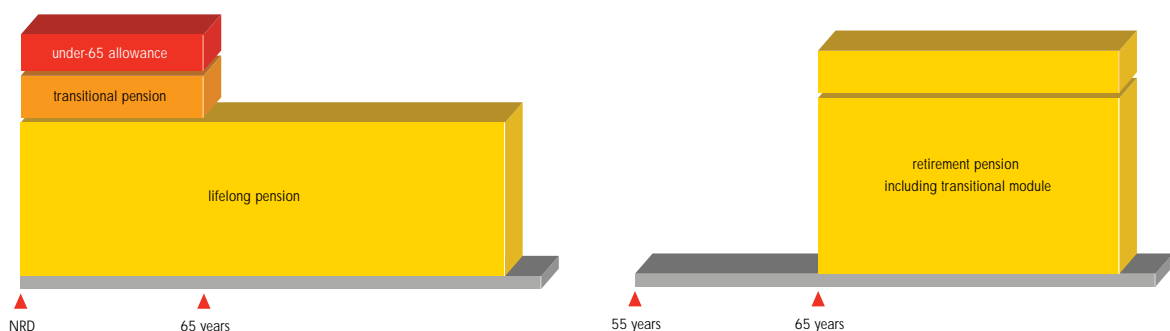
consisted of three elements: lifelong pension, transitional pension (serving to compensate for the absence of AOW) and the under-65 allowance (serving to compensate for the higher tax levy until the age of 65). See graph 1.

Pension income under the new scheme

Under the new scheme, the official retirement age is 65. Previously accrued entitlements have been transferred to the new scheme. From your retirement date onwards, you receive a retirement pension (graph 2). You can opt to retire earlier, in which case your pension is lower than if it had commenced at the age of 65: it has to be paid out over a larger number of years and you will have accrued fewer pension years. You can use your transitional module for this purpose (graph 3).

1) Your pension income components under the former scheme.

2) This graph shows your pension income if you continue working until the age of 65. You will then receive a higher retirement pension than under the former scheme.



PENSION CALCULATOR SHOWS EFFECT OF NEW SCHEME

By means of the internet-based pension calculator you can calculate the consequences of the new pension scheme for your pension [www.shell.nl/pensioenfond]. For as long as your salary remains unchanged, this can be done using the

figures sent to you by the Pension Fund in early October 2005 with the letter introducing the new scheme. An updated pension planner, allowing more calculations to be performed, will be made available in the course of 2006.

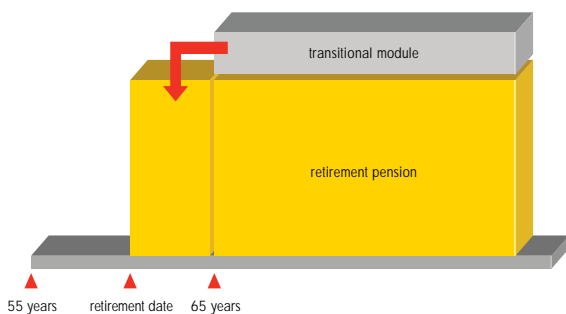


Early retirement and a temporary pension

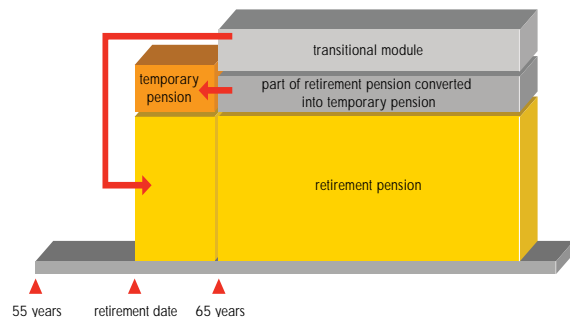
If you wish to retire early, you can also opt to utilise part of your transitional module towards a temporary pension until the age of 65, before your AOW commences. Alternatively, you can utilise your retirement pension for this purpose (graph 4). Other combinations are also possible, but under fiscal legislation such a temporary pension may not

exceed the AOW for a married couple: € 16,161. It can be paid out on top of your (lower) retirement pension. In addition, you can also make use of what is termed the high/low construction. Further information about the high/low construction can be found on page 16.

3) This graph shows how your income is composed if you retire early. The transitional module is used to generate pension income until the age of 65.



4) Here the transitional module has been used to generate retirement pension from the chosen retirement age until the age of 65. In addition, part of the retirement pension (maximum € 16,161) has been converted into a temporary pension until the age of 65. From the age of 65 onwards, a lower retirement pension will remain.



The choices you can make

The Pension Fund's new pension scheme offers a great deal of flexibility, in terms of the timing of your retirement and the level of your pension. All pension scheme participants can make a number of choices.

Retiring early

You can opt for early retirement, but not earlier than at the age of 55. You must give the Pension Fund and your employing company not less than six and not more than 12 months' notice of this. If you retire early you will accrue fewer pension years and your pension will have to be paid over a larger number of years. Consequently your annual pension will be lower.



EX-PARTNER'S ENTITLEMENTS

If you are divorced and your ex-partner is entitled to part of your retirement pension, then the consequences of retiring early or working longer affect your ex-partner's entitlements in the same way as your own. Retiring early or working longer will mean that your ex-partner's share of your pension will also be paid out earlier or later. This also affects the level of your ex-partner's share of your pension. If you retire early, your ex-partner will also receive a lower pension income. If you defer your retirement date, then your ex-partner, like you, will receive a higher pension income as from that later time.

Working longer

By arrangement with your employing company, you can remain in employment after your 65th birthday, until you turn 70 at the latest, thereby deferring your pension commencement date. In that case, your retirement pension income will be higher, because you will accrue more pension years and your pension will be paid out over a shorter period. The tax rules stipulate that a pension must be paid out as and when pension accrual attains 100 per cent of salary: at that point in time you retire. This does not apply if the pension accrual is 100 per cent or more due to value transfer from elsewhere or due to the value transfer to the new scheme of pension entitlements accrued under the former scheme.

Part-time pension

If you wish you may, by arrangement with your employing company, take a part-time pension at any time as from the age of 55. You will then work shorter hours, so your salary income will be reduced. You can offset this income loss by having part of your pension paid out prior to your full retirement. You can arrange for 50 per cent, 40 per cent or 20 per cent of your pension to be paid prematurely in this way. However, that portion of your pension will be reduced because it enters into effect earlier.

High/low

You might prefer to have a higher income during your first years of retirement than thereafter, for instance if you have children who are still studying or if your mortgage has not yet been redeemed. Or because you wish to supplement your temporary





choice	period (participant's age)	retirement pension	partner's pension
default situation	as from 65	100% = € 30,000	70% = € 21,000
5 years higher, thereafter lower, ratio 125 : 100	from 65 to 70	ca. 114.4% = € 34,320	70% = € 24,024
	as from 70	ca. 91.5% = € 27,450	70% = € 19,215

pension. In such cases you can opt for the high/low construction.

You will then receive a temporarily higher pension than your 'default' pension as from your retirement date. After elapse of the agreed period, your pension will then, of course, be lower than your 'default' pension. The converse is also possible: first a lower pension and subsequently a higher one. These modifications also affect the level of partner's pension. The ratio between the higher and lower pension you can opt for is tied to certain limits. These are stated in the tables appended to the Regulations.

Example of one of the possibilities

Mr. Cornelisse will shortly retire. His retirement pension is € 30,000. His partner's pension is € 21,000. Mr. Cornelisse has children who are still

students, and so he opts to receive a higher pension for the first 5 years. By then his children are expected to have graduated and he will be able to manage on a lower pension income.

In this example, Mr. Cornelisse opts for a high to low ratio of 125:100 for a 5-year period. During the first 5 years his retirement pension is € 34,320. After those 5 years it will be € 27,450. If Mr. Cornelisse were to die during the 5 years of higher pension payout, his partner would receive 70% of that higher pension, i.e. € 24,024. After elapse of those 5 years his partner would then be paid 70% of the lower pension, i.e. € 19,215 (see table above).



Exchange between partner's pension and retirement pension

When you retire, you can exchange some or all of your partner's pension for a higher retirement pension, or vice versa. This exchange could be desirable in the following eventualities.

- A) Less partner's pension is required or none at all.
 For instance, because your partner is entitled to a pension of his own. In that case, you can exchange all or part of your partner's pension for a higher retirement pension.

- B) Conversely, you want to have a higher partner's pension. For instance, if you want your partner to have a higher income in the event of your predecease. You can then convert part of your retirement pension into partner's pension.
- C) You consider that, in the event of your partner's predecease, you would not subsequently need a full retirement pension. In that case, you can exchange part of the retirement pension you would receive after your partner's predecease for a higher retirement pension for as long as you are both alive. In addition, you can leave your partner's pension at 70 per cent of your retirement pension, or convert part of this as well into a higher retirement pension for as long as you are both alive

A number of exchange options are shown in the table below, assuming a retirement age of 65. If you retire earlier or later, the percentages in the right-hand column will change accordingly. Tables are given in the Regulations showing the correct percentages for various retirement ages.

	your retirement pension following your partner's predecease (%)	partner's pension following your predecease (%)	retirement pension as long as you are both alive
	100	70	default situation
A	100	50	5.3% higher
A	100	0	21.5% higher
B	100	100	7.0 % lower
C	70	70	3.7% higher
C	70	50	9.4% higher
C	50	50	12.3% higher



Changes at work

Changes in your employment situation may affect your pension. Such as a change of employer, working abroad or a period of (unpaid) leave.

Termination of Shell employment

If you leave Shell before your retirement date, you will be entitled to a deferred pension. This consists of your accrued retirement pension, partner's pension and orphan's pension.

If you take up employment elsewhere, you can transfer your Shell pension entitlements to your next employer's pension scheme.

Service abroad

If you are employed by Shell abroad, you can remain a Pension Fund participant in most cases. Contributions are charged on your Dutch pension contribution basis. However, a period of employment abroad does have implications for your AOW benefit as from the age of 65, because in many cases you cannot remain insured for AOW purposes. For every year you spend abroad, you accrue 2 per cent less AOW. You can cover this shortfall yourself by means of supplementary insurance through the Sociale Verzekeringsbank or, if that is not possible, an insurance company. Shell has a pension saving arrangement with an insurance company, including a specific facility for covering any AOW shortfall. Further information can be found on the Shell in the Netherlands HR intranet site. Alternatively, of course, you can make your own saving arrangements.

If you were entitled to 'compensation for uninsured years' on 31st December 2005, that entitlement will be preserved. As from the age of 65, this will be paid out with your pension. As from 1st January 2006 this compensation will no longer be accrued, nor will you pay any contribution on this account.

Leave

If you take unpaid or parental leave, you will continue to participate in the pension scheme.

However, you do not accrue further pension entitlements, nor do you pay pension contribution during that period. If you take part-time leave, you only accrue entitlements and pay contribution on your part-time employment. The insurance risk of death or disablement during your leave is covered and the employer pays the relevant premiums. This risk cover ensures that in the event of your death or disablement during your leave period, the pension years you would have accrued by your official retirement age are factored into your partner's pension (or disability pension). If you had agreed to resume work on a part-time basis after your leave, those pension years are determined on that part-time basis. When you return to work after your leave, your pension accrual is resumed on the basis of your full-time salary and, if appropriate, your post-leave part-time working percentage. Life Cycle leave is also a form of unpaid leave. During Life Cycle leave, you accrue pension on your Life Cycle payout for a maximum of six months. During Life Cycle leave periods when no pension is accrued, the above-mentioned risk cover arrangement is effective.



Changes in your private circumstances

Changes in your private circumstances, particularly in your marital status, can also affect your pension situation. Getting married, cohabiting and ending a relationship all have an impact on pension entitlements.

Marriage/cohabitation

If you get married or enter into a legally registered partnership while you are a Pension Fund participant, your partner will be entitled to a partner's pension in the event of your predecease. You do not need to enrol your partner in the Pension Fund for that purpose. If you are cohabiting, the enrolment of your partner as your partner's pension beneficiary is subject to certain requirements. For such enrolment, the Pension Fund has a form available on its website.

Ending of a relationship

The ending of a relationship has implications for the partner's pension and retirement pension. In the event of divorce or the ending of a registered partnership, your ex-partner retains a right to the partner's pension accrued until the date of separation. This pension is termed a special partner's pension. It is deducted from the partner's pension that your new partner, if you have one, would otherwise be entitled to.

In the event of divorce, separation or the ending of a registered partnership, the ex-partner also becomes entitled to a share of the participant's retirement pension, under the Pension Settlement (Divorce) Act (Wet verevening pensioenrechten bij scheiding). That share is equal to one-half of the retirement pension accrued during the period of marriage. However, the partners can also agree some other apportionment.

If a reported partner relationship is ended, the above rules do not apply; in other words, the ex-partner no longer has any entitlement.

Pension supplementation

If you consider that you cannot accrue sufficient pension under the Shell pension scheme, you can make private savings through a bank or insurance company of your choice. Shell has a pension saving arrangement with an insurance company. Further information on this arrangement can be found on the Shell in the Netherlands HR intranet site.



Key terms

Compensation for uninsured years

Compensation granted by the Pension Fund until 1st January 2006 to participants who had worked for Shell abroad and have a shortfall in their AOW accrual on that account.

Credit years

Extra pension years to which employees who had been Pension Fund participants prior to 1st January 1985 may have been entitled on their NRD under the former pension scheme. These credit years were granted as part of the pension entitlements of those participants when transferred on 31st December 2005 and were added to their accrued pension years.

Participant

You are a Participant if you are in the service of a Shell company and are accruing pension entitlements with the Pension Fund.

Members' Council

The Members' Council advises the Board, on request and otherwise, on important matters concerning the Fund. Participants and retirees are represented on the Members' Council.

Part-time pension

A part-time pension can be drawn for 20 per cent, 40 per cent or 50 per cent of your working hours while you remain in employment for the remaining working hours.

High/low

A high/low pension is a construction whereby you opt for a higher retirement pension in the first years following retirement and a lower retirement pension during the years thereafter. Conversely, a low/high pension construction is also possible.

Transitional module

Because the new pension scheme is more sober than the former one, the value of your accrued pension entitlements is higher than needed to buy

the same number of pension years under the new scheme and supplement the partner's pension. The surplus value forms what is termed the transitional module.

Pension basis

Your salary (12 months plus extra payments in April and/or December) plus any accrued pensionable supplements. Your pension is determined on this basis.

Pension contribution basis

Your salary (12 months plus extra payments in April and/or December) plus any current pensionable supplements. The pension contributions you have to pay are determined on this basis.

Pensionable supplement

Any salary supplement that is factored into your pension entitlements, such as shiftwork supplement. A pensionable supplement is expressed as a percentage of your salary, and as from 1st January 2006 is included in your pension basis according to the number of years (or: pro rata). The employer decides which supplements are pensionable.

Temporary pension

The pension that may be paid on top of your retirement pension until you turn 65. Under the fiscal rules, a temporary pension can range from € 0 to € 16,161 (the AOW for a married couple).

Further information

If you have any questions about anything mentioned in this brochure or you need further information on a certain subject, please contact the Pension Fund.

The pension administration staff can access your pension records and would be glad to give you personal information.

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<http://sww02.europe.shell.com/sinhr/index.htm>.

This brochure merely summarises the new pension scheme that entered into effect on 1st January 2006. No rights may be derived therefrom. The official legal wording of the pension scheme is given in the Regulations. These Regulations are published on internet and are also mailed to all Pension Fund participants.

The choices that you make under the new pension scheme are strictly personal. Neither Stichting Shell Pensioen Fonds, nor Shell Pensioenbureau Nederland B.V. nor any other Group companies can be held responsible or liable for such choices or the consequences thereof.



