

Stichting Shell Pensioenfonds

Your pension at Shell



Regulations V

1 JULY 2008



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1 Definitions

1.1 General

The definitions of the terms used in the Constitution of Stichting Shell Pensioenfonds (Shell Pension Fund Foundation) also apply to the present Regulations unless expressly determined otherwise.

The present Regulations do not distinguish between gender; wherever “he” is used or implied in the text, this also refers to “she”, and vice versa.

1.2 Specific

In the present Regulations, the following terms have the following specific meanings:

Board

The Board of Stichting Shell Pensioenfonds.

Child

- a child who is related to a Participant, Former Participant or Retiree in that latter's capacity as parent within the meaning of the Netherlands Civil Code;
- a child who is maintained by a Participant, Former Participant or Retiree on the basis of a maintenance liability within the meaning of the Civil Code;
- other children who in the judgement of the Pension Fund are maintained as his own children by a Participant, Former Participant or Retiree.

Constitution

The Constitution of Stichting Shell Pensioenfonds (Shell Pension Fund Foundation).

Disability

The situation in which a Participant, in the judgement of the Pension Fund, and as the direct and objectively medically identifiable result of sickness, deficiency, pregnancy or confinement, with little likelihood of recovery in the long term, is unable to earn more than 20 per cent of what healthy individuals with similar qualifications and experience usually earn through employment.

Employee

A person who performs labour for an employer on the basis of a contract of employment under civil law.

Employer

Any member company.

First Limit

The normal maximum of salary group 15 as used in the remuneration system of Shell Nederland B.V. The First Limit is adjusted annually on 1st July.

Former Participant

A person for whom pension entitlements are no longer accrued according to the provisions of the present Regulations and to whom non-contributory pension entitlements have been granted that are not yet payable.

Grant Date

The date on which participation ends in accordance with Article 2.3.

Normal maximum

100 per cent on scale of the relevant salary group.

Participant

An employee or former employee who has joined the Pension Fund pursuant to Article 2 and for whom pension entitlements are accrued according to the provisions of the present Regulations.

Partner

The individual who:

1. is married to the (Former) Participant or Retiree before the latter's retirement date, or
2. has entered into a registered partnership with the (Former) Participant or Retiree before the latter's retirement date, or
3. is cohabiting with the (Former) Participant or Retiree without being married and without having entered into a registered partnership with whom the unmarried (Former) Participant or Retiree, who has not already entered into a registered partnership, maintains a joint household, provided that:
 - they are not directly related by blood or marriage, and
 - the joint household was set up before the Retirement Date.

Only one person is considered as the Partner for the purpose of the present Regulations.

Partnership

Marriage, registered partnership or cohabitation under the conditions as referred to in Article 9.

Part-time Percentage

The relation, expressed as a percentage, between the number of hours that a Part-time Employee works on the basis of his employment contract and the standard number of hours for the position in question.

Part-time Employee

An Employee with an employment contract on the basis of which fewer hours are worked than the standard number of hours for that position.

Pensionable Supplement

This is a supplement of a structural nature that the Employer has designated as pensionable and has notified to the Pension Fund and which is expressed as a percentage of the Pension Base Salary. The Employer indicates the date from which the Pensionable Supplement comes into effect, any changes in the level of the Pensionable Supplement and the date when the Pensionable Supplement ends.

Pension Base Salary

The annual salary notified by the Employer to the Pension Fund plus the lump-sum payments in April and December, each equal to one month's salary (insofar as these apply to the Participant in question), but not including any Pensionable Supplement(s). When notifying the Pension Fund of this, the Employer indicates the date from which the Pension Base Salary is effective.

Pension Basis

The Pension Base Salary as applicable on the Grant Date. If the participant has been entitled to any Pensionable Supplement(s), a proportional supplement is added to this salary, expressed as a percentage, which is the result of the following formula:

$$(TPP/TAP) \times PTP$$

where:

TPP = the total number of Pension Years with a Pensionable Supplement(s)

TAP = the total number of Pension Years

PTP = the applicable Pensionable Supplement(s) expressed as a percentage of the Pension Base Salary

If the Participant has been entitled to several Pensionable Supplements, a weighted average PTP shall be calculated.

Pension Contribution Basis

The Pension Base Salary plus any Pensionable Supplements.

Pension Contribution Limit

The normal maximum of salary group 5 as used in the remuneration system of Shell Nederland B.V. The pension contribution limit is adjusted annually on 1st July.

Pension Fund

Stichting Shell Pensioenfond (Shell Pension Fund Foundation).

Pension Years

The concluded period of continuous participation, rounded off to a full number of months, in the pension scheme as formulated in the present Regulations, for the purposes of which fifteen days or more are considered as one month when rounding off, whereas fewer than fifteen days are disregarded.

In the present Regulations, Pension Years also means years obtained from an incoming value transfer of pension entitlements from a different pension scheme to the Pension Fund's pension scheme as referred to in Article 7, as well as years obtained from an internal value transfer of pension entitlements to the Pension Fund from previous periods of participation in the Pension Fund.

Regulations

Regulations V.

Retiree

A person receiving a retirement pension from the Pension Fund according to the provisions of the present Regulations.

Retirement Age

The age as referred to in Article 5.

Retirement Date

The last day of the month in which a (Former) Participant reaches Retirement Age.

Second Limit

The normal maximum of salary group 6 as used in the remuneration system of Shell Nederland B.V. The Second Limit is adjusted annually on 1st July.

Special Partner

The Partner of a Participant, Former Participant or Retiree to whom, within the context of a divorce, dissolution of a marriage following a decree of judicial separation or termination of a registered partnership or termination of the joint household or of the cohabitation agreement as referred to in Article 9.6 (otherwise than through death or disappearance or by conversion of a registered partnership into marriage), a special partner's pension is granted according to the provisions of Article 11.1 or pursuant to any regulations preceding the present Regulations.

Third Limit

The normal maximum of salary group 3 as used in the remuneration system of Shell Nederland B.V. The Third Limit is adjusted annually on 1st July.

WAO

Disablement Benefits Act (Wet op de Arbeidsongeschiktheidsverzekering).

WIA

Work and Income according to Labour Capacity Act (Wet werk en inkomen naar arbeidsvermogen).

2 Participation

2.1 Preconditions of participation

- 2.1.1 Employees falling within an admitted category may join the Pension Fund as Participants. Shell Nederland B.V. shall decide which admitted categories there shall be. The Employer decides which of its Employees belongs to an admitted category.
- 2.1.2 An Employee must apply to participate by means of the relevant application form within two months of joining an admitted category. If that term is exceeded, the Employer may submit the application at some later time.

2.2 Commencement of participation

Participation shall commence on the date the Employee falls within an admitted category.

2.3 End of participation

- 2.3.1 Participation shall end on the date the Participant no longer belongs to an admitted category, and at any rate on his Retirement Date.
- 2.3.2 Notwithstanding the previous paragraph, participation is considered to continue following termination of employment, provided the person:
- a. is entitled to non-contributory continuation of pension accrual on account of disability as referred to in Article 14.1;
 - b. is entitled to continuation of pension accrual on account of unemployment as provided for in Article 14.2.

3 Provision of information

3.1 Obligations of Participants, Former Participants, Retirees, (former) Partners and Children

- 3.1.1 Those entitled to or claiming any disbursement from the Pension Fund are obliged to furnish the Pension Fund with all the data and documentation which, in the judgement of the Pension Fund, are necessary for the correct implementation of the Constitution and the present Regulations.
- 3.1.2 If the Participant, Former Participant or Retiree provides incorrect information or has omitted to provide information, as a result of which a pension claim or entitlement has not been determined correctly, the Pension Fund establishes the pension claim or entitlement on the basis of the correct data, or – if the correct data are missing – data established by the Pension Fund to the best of its knowledge. Any insufficient or excess amounts shall be settled with the relevant party accordingly. This provision also applies to (former) Partner and Children of the Participant, the Former Participant or Retiree.
- 3.1.3 No disbursement or only partial disbursement shall be effected while the provisions of Article 3.1.1 have not been met in the judgement of the Pension Fund.

3.2 Provision of information by the Pension Fund

- 3.2.1 When participation commences, Participants receive a copy of the Constitution and Regulations applicable to them. The Pension Fund notifies the Participants in writing about all amendments to these documents.
- 3.2.2 The Pension Fund gives other parties with an interest in the Pension Fund the opportunity to peruse the valid Constitution and Regulations.
- 3.2.3 Each year, the Participants receive a statement of their accrued pension entitlements and the pension entitlements they may attain. Information is also provided each year on the granting of supplements. A statement is also provided each year of the value increase of the pension entitlements that are imputed to the calendar year in question, in accordance with the Income Tax Act 2001 (Wet Inkomstenbelasting 2001) and the provisions based thereon.
- 3.2.4 When his participation ends, the Participant receives a declaration from the Pension Fund stating the amount of pension to which he is entitled and information about the granting of supplements, other information relevant for the Participant in connection with the termination of his participation, and information about factors affecting the operations of the Pension Fund.
- 3.2.5 Each year, the Pension Fund issues a statement of accrued pension entitlements and information regarding the granting of supplements to the Former Participant. The Pension Fund also notifies the Former Participant within three months of any amendments to the policy regarding the granting of supplements.
- 3.2.6 As evidence of pension grant, a declaration shall be issued to the beneficiary stating the amount of pension to which he is entitled and the commencement date. If the Grant Date is not the commencement date of the pension, this information shall be provided again on the pension commencement date. Information about the payment and the granting of supplements is also provided when the pension enters into effect.

- 3.2.7 At the request of a Participant or Former Participant, the Pension Fund shall issue a statement of accrued pension entitlements within three months.
- 3.2.8 At the request of a Participant or Former Participant, the Pension Fund shall, within three months, issue a statement of the recorded 'years of participation' as referred to in Section 10ab of the Income Tax Implementation Decree 1965 (Uitvoeringsbesluit Loonbelasting 1965). This shall be accompanied by the release of all documentation, insofar as the Pension Fund is in possession thereof, that can demonstrate that periods prior to an incoming value transfer as referred to in Article 7 effected before 1st January 2005 can be counted as 'years of participation'. This information shall also be provided in the case of a value transfer as referred to in Article 16 by the Pension Fund to the pension provider that will take over the transferred pension.
- 3.2.9 Each year, the Pension Fund issues a statement of pension benefits and information regarding the granting of supplements to Pension Beneficiaries. The Pension Fund also notifies Pension Beneficiaries within three months of any amendments to the policy regarding the granting of supplements.
- 3.2.10 At the request of Participants, Former Participants, Retirees and their (former) Partners and Children and their representatives, the Pension Fund shall provide:
- a. sufficient information about the rights and obligations of the parties involved with the pension scheme as set out in the Regulations, the financial, technical and other risks associated with the pension scheme as well as about the nature and the spreading of risks;
 - b. the annual accounts and annual reports;
 - c. within a reasonable period, all the relevant information about amendments to the rules governing the pension scheme;
 - d. the statement made in the Actuarial and Operating Memorandum relating to investment principles;
 - e. clear and essential data about the indicative level of pension disbursements and the level of disbursements in the event that participation should end;
 - f. the provisions relating to value transfer as referred to in Article 16;
 - g. the Administration Agreement.
- 3.2.11 The Pension Fund provides information to Legitimate Claimants and Pension Beneficiaries moving abroad from the Netherlands or moving to the Netherlands from abroad regarding their pension entitlements, pension rights and the options available to them under the present Regulations.

4 Finance

4.1 Participant's contribution

- 4.1.1 The Participant is liable to pay contributions during the period of his participation.
- 4.1.2 From the moment the present Regulations take effect, the level of contributions shall amount to:
- a. 2 per cent over the portion of the Pension Contribution Basis up to the Pension Contribution Limit; and
 - b. 8 per cent over the portion of the Pension Contribution Basis that is higher than the Pension Contribution Limit.

4.2 Payment of contributions by Participants

The contributions as referred to in Article 4.1.2 are payable in twelve monthly instalments and are deducted from the Participant's salary by the Employer and transferred to the Pension Fund.

4.3 Temporary reduction of contributions by Participants

The Pension Fund may lower the percentage indicated in Article 4.1.2.b. for a maximum period of one year at a time following consultations with the actuary and Shell Petroleum N.V. provided this shall be at least 2 per cent.

4.4 Employers' contribution

The costs of the pension scheme that are not covered by the contributions of the Participants as referred to in this Article shall be borne by the Employers on the basis of the administration agreements between the Pension Fund and the Employers, including Shell Petroleum.

4.5 Reservation of payment

4.5.1 In the event of a drastic change in circumstances, the Employer is authorized, with the consent of Shell Petroleum, and on notification to the Board in writing, to terminate the payment of future contributions in respect of future service for one or more groups of Participants in the service of the company in question, insofar as this concerns the employer's contribution. In that event such obligation in respect of such Participants shall cease on a date to be indicated by the Employer concerned. An Employer which has availed itself of this authority shall, however, continue to be liable to make contributions in respect of service prior to that date.

4.5.2 The Participants, in respect of whom an Employer's obligation to pay employer's contributions for future service has terminated, shall for the purposes of the Constitution and the present Regulations be regarded as being transferred, as from the date on which the obligation terminated, to the service of a Group company which is not a member company. They shall be advised of this as soon as possible.

5 Retirement Age

The Retirement Age is 65, or lower or higher as determined with due regard to Articles 17.1, 17.2 and 17.3.

6 Pension entitlements of Participants

The pension scheme is characterized as a pension benefit agreement under the Netherlands Pension Act. With due observance of the provisions of the present Regulations, participation confers an entitlement to:

- partner's pension (Article 10.1)
- orphan's pension (Article 10.2)
- disability pension (Article 12)
- retirement pension (Article 15.1.1)

7 Incoming value transfer

If a Participant has acquired non-contributory pension entitlements with the pension provider of a previous employer prior to participation, the Pension Fund shall co-operate in arranging the transfer of these pension entitlements provided the Participant has submitted a request to the Pension Fund for a value transfer and the Pension Fund receives the value of the aforementioned non-contributory entitlements. The received value shall be converted into additional pension entitlements under the present Regulations, expressed as a number of Pension Years. Such a value transfer is effected in accordance with the statutory regulations governing value transfer.

8 Part-time service

The following applies to Participants in part-time service:

- 8.1 The Pension Basis is determined from the Pension Base Salary pertaining to the standard number of hours associated with that position.
- 8.2 The Part-time Employee accrues Pension Years in proportion to the Part-time Percentage applicable to him.
- 8.3 For the determination of the contributions payable in accordance with Article 4.1, the contribution calculated on the basis of full-time employment in accordance with Articles 4.1.2 and 4.3 is multiplied by the relevant Part-time Percentage.
- 8.4 If future Pension Years are taken into consideration when calculating a pension, the most recently applicable Part-time Percentage shall apply to that period, unless the employment contract makes provision to change the Part-time Percentage at a later date. In that case, the changed Part-time Percentage shall be taken as from that time.
- 8.5 For determining the disability pension as referred to in Article 12, the disability pension is calculated on the basis of full-time employment multiplied by the most recently applicable Part-time Percentage, unless the employment contract makes provision to change the Part-time Percentage at a later date. In that case, the changed Part-time Percentage shall be taken as from that time.

9 Cohabitation other than on the basis of marriage or registered partnership

9.1 Registration of the Partner

An unmarried Participant or Former Participant can register a Partner as referred to in Article 1, Partner, under 3. The registration must be made before the Retirement Date by means of the relevant form.

9.2 Documents to be submitted on registration

The Participant or Former Participant must demonstrate the existence of a joint household. With due regard to the provisions of Article 9.5, the following documents must be submitted for the purpose of registration:

- a. an authenticated copy or extract of a notarial cohabitation agreement, showing that the Participant or Former Participant has designated that Partner as the beneficiary of any partner's pension arrangement; and
- b. if the Participant or Former Participant resides outside the Netherlands, an extract from the civil register, showing that the Participant or Former Participant and Partner are both living at the same address, are unmarried and have not entered into a legally registered partnership.

After registration, the Pension Fund shall inform the Participant or Former Participant in writing whether such an arrangement is deemed to be a joint household within the meaning of this Article. The registration shall not be considered as definite until the Pension Fund has stated that such an arrangement is a joint household.

9.3 Conditions for granting a partner's pension as referred to in Article 10.1 or a special partner's pension as referred to in Article 11.1

The following conditions apply to the granting of a partner's pension or special partner's pension on the death of a Participant, Former Participant or Retiree or the termination of a joint household as referred to in these Regulations:

- a. the Partner must be definitely registered with the Pension Fund; and
- b. the Partner must demonstrate to the Pension Fund's satisfaction that there was a joint household on the date of the death of the Participant, Former Participant or Retiree or on the date when said joint household was terminated, and
- c. the joint household must have been in existence for at least six months on the date of his death or on the date when said joint household was terminated.

A joint household is deemed to exist in principle if on the date of death or the date when said joint household was terminated the notarial deed as referred to in Article 9.2 is still in effect and the parties in question are still living at the same address and are unmarried and have not entered into a legally registered partnership.

9.4 Commencement date of the joint household

The date of commencement of the joint household as referred to in the present Regulations shall be deemed to be the date of execution of the notarial deed as referred to in Article 9.2, unless it is demonstrated to the satisfaction of the Pension Fund that the joint household was commenced at some earlier time. In that case, the date of actual commencement shall be taken.

9.5 Alternative for the documents specified in Article 9.2

Demonstrating the existence of a joint household, if not feasible by means of the documents as referred to in Article 9.2 for certain reasons such as residence outside the Netherlands, shall be effected by means of documents that are in the judgement of the Pension Fund equivalent, as far as is possible.

9.6 Termination of the joint household or cohabitation agreement

If the joint household or cohabitation agreement is terminated other than by the death of the Participant, Former Participant or Retiree, the Partner is entitled to a special partner's pension described in Article 11.1. The Participant, Former Participant or Retiree notifies the Pension Fund in writing of the termination of the joint household or cohabitation agreement no later than 30 days from said termination.

10 Pension entitlements on the death of a Participant, Former Participant, or Retiree

On the death of the Participant, Former Participant or Retiree, his Partner with whom he has a partner relationship at the time of his death, and/or his Child(ren) at the time of his death, are entitled to a partner's and orphan's pension respectively pursuant to Articles 10.1 and 10.2. Any special partner's pension on the basis of Article 11 of the present Regulations or on the basis of previous regulations shall also be payable at that time.

10.1 Partner's pension

10.1.1 Elements of the partner's pension

A partner's pension comprises a lifelong partner's pension and a supplementary partner's pension.

10.1.2 Lifelong partner's pension

- 10.1.2.1 A person shall be entitled to a lifelong partner's pension who was the Partner of the Participant, Former Participant or Retiree at the time of his death and who meets the criteria of Article 1 and Article 9.
- 10.1.2.2 The lifelong partner's pension enters into effect on the first day of the month following that in which the Participant, Former Participant or Retiree has died and shall be paid until the month in which the Partner dies.
- 10.1.2.3 The lifelong partner's pension shall amount to 70 per cent of the retirement pension as referred to in Article 15.1.2. On the death of a Participant before his retirement, the number of Pension Years shall be calculated as though the Participant would have remained a Participant until his Retirement Date. On the death of a Former Participant or Retiree, the lifelong partner's pension shall be equal to the entitlement to the lifelong partner's pension on the Grant Date, plus any supplements granted pursuant to Article 19.

10.1.3 Supplementary partner's pension

- 10.1.3.1 If the Partner is entitled to a lifelong partner's pension as referred to in Article 10.1.2 and the Partner has not reached the age of 65 on the date of death of the Participant, Former Participant or Retiree, he shall be awarded a supplementary partner's pension.
- 10.1.3.2 The supplementary partner's pension shall enter into effect on the first day of the month following that in which the Participant, Former Participant or Retiree has died and shall be paid up to and including the month prior to that in which the Partner reaches the age of 65.

10.1.3.3 The supplementary partner's pension amounts to 1.6 per cent of the First Limit for each Pension Year. This calculation shall be based on the First Limit as effective on the Grant Date. On the death of a Participant before his retirement, the number of Pension Years shall be calculated as though the Participant would have remained a Participant until his Retirement Date. On the death of a Former Participant or Retiree, the supplementary partner's pension shall be equal to the entitlement to the supplementary partner's pension on the Grant Date, plus any supplements granted pursuant to Article 19.

10.1.4 Reduction of the partner's pension by the grant of a special partner's pension

A partner's pension to be granted shall be reduced by the sum of any special partner's pension(s) of Special Partner(s). The reduction shall not be applied when the partner's pension enters into effect if the Special Partner has died before the Retirement Age, except in the case of the conversion of a special partner's pension as referred to in Article 11.2.5.

10.2 Orphan's pension

10.2.1 The Children of a deceased Participant, Former Participant or Retiree are entitled to an orphan's pension.

10.2.2 The orphan's pension shall enter into effect on the first day of the month following that in which the Participant, Former Participant or Retiree has died, and shall be paid:

- up to and including the month in which the Child reaches the age of 18; or,
- if the Child is 18 years of age or older, spends most of his time on his studies and would have been maintained by the Participant, Former Participant or Retiree if he had not died, up to and including the month of August of the academic year in which the Child concludes his studies, but no later than the month of August following the Child's 24th birthday; or
- up to and including the month in which the Child dies.

10.2.3 The orphan's pension shall amount to 14 per cent of the lifelong and supplementary partner's pension for each Child. On the death of the Participant, the calculation takes the number of Pension Years that would have been accrued if he had remained a Participant until his Retirement Date. On the death of a Former Participant or Retiree, the calculation takes the entitlement to partner's pension on the Grant Date, plus any supplements granted pursuant to Article 19.

When determining the orphan's pension, the level of the partner's pension that forms the basis for this takes the consequence of a higher or lower Retirement Age into account, as determined with due regard to Article 17.2 and Article 17.3. No account is taken of the consequences of conversion described in Article 17.4.1, a variable pension described in Article 17.4.2 and/or the consequences of a reduction by special partner's pension(s) as indicated in Article 10.1.4.

10.2.4 If the Child is a full orphan, the orphan's pension as referred to in Article 10.2.3 shall be doubled when the orphan's pension is granted or with effect from the first day of the month in which the Child becomes a full orphan. A Child is a full orphan if on the date the orphan's pension is granted there is no other person to maintain him or he becomes a full orphan when the other person maintaining him dies after the orphan's pension has been granted.

11 Divorce

11.1 Special partner's pension

- 11.1.1 In the event of divorce (which for the purposes of this Article 11.1 shall be taken to mean divorce, dissolution of the marriage following the granting of a judicial separation or termination of the registered partnership or cohabitation agreement as referred to in Article 9.6 (otherwise than through death or disappearance or by conversion of a registered partnership into marriage)), the former Partner of the Participant, Former Participant or Retiree shall be granted an entitlement to a special partner's pension.
- 11.1.2 The special partner's pension shall enter into effect on the first day of the month following that in which the Participant, Former Participant or Retiree has died and shall be paid until the month in which the Special Partner dies. In this connection, Former Participant is also taken to mean the person who has become a Former Participant under the present Regulations and for whom a value transfer has been effected as referred to in Article 16.
- 11.1.3 If the divorce takes effect before participation ends, the Special Partner's pension shall be equal to the non-contributory entitlement to partner's pension, which would have been acquired if participation had ended on the date of the divorce. If the divorce takes effect after participation ends, the Special Partner's pension shall be equal to the entitlement on the Grant Date, plus any supplements granted pursuant to Article 19.
- 11.1.4 The provisions of Article 11.1.1 shall not apply if the Participant, Former Participant or Retiree and the former Partner agree otherwise by means of the provisions of the partnership or a written agreement in consideration of the divorce. Such provisions or agreement shall only be valid if the Pension Fund has issued a written statement declaring that it is in agreement with such provisions and that it is prepared to cover the pension risk ensuing therefrom or to adjust the level of the benefit to be paid.
- 11.1.5 The parties shall inform the Pension Fund of their divorce by means of an extract from the civil register.
- 11.1.6 The Pension Fund shall notify the Special Partner in writing of any entitlement thus granted and shall provide information about the granting of any supplements and other specific information relevant for the Special Partner with regard to divorce. The Pension Fund will also issue subsequent annual statements regarding pension entitlement and information about the granting of any supplements. Moreover, the Special Partner shall be notified of any changes to the policy on granting supplements within three months of said change.

11.2 Divorce settlement of retirement pension

- 11.2.1 In the event of divorce (which for the purposes of this Article 11.2 shall be taken to mean divorce, separation or termination of the registered partnership otherwise than through death or disappearance or by conversion of a registered partnership into marriage) after 30th April 1995, the (former) Partner in question of the Participant, Former Participant or Retiree is entitled to payment of part of the retirement pension vis-à-vis the Pension Fund pursuant to the Pension Settlement (Divorce) Act (Wet verevening pensioenrechten bij scheiding), provided the Participant, Former Participant or Retiree or the (former) Partner in question has notified the Pension Fund of that divorce within two years from the date of the divorce by means of a form prescribed by law.

- 11.2.2 Notwithstanding the provisions of the Pension Settlement (Divorce) Act, payment of the entitlement stated in Article 11.2.1 shall enter into effect on the Retirement Date but not before one month after the date when the Pension Fund receives the form as referred to in Article 11.2.1. The entitlement to payment shall end on the date when the entitlement to retirement pension ends or at the end of the month in which the former Partner dies.
- 11.2.3 The provisions of Article 11.2.1 shall not apply if the Participant, Former Participant, or Retiree and former Partner have excluded the applicability of the Pension Settlement (Divorce) Act by means of a marriage settlement or in the conditions of the registered partnership or by private written agreement in consideration of the divorce.
- 11.2.4 Notwithstanding the provisions of Article 11.2.1, the pension settlement as referred to in that Article shall not apply if the relevant payment entitlement at the time of divorce does not exceed the amount as referred to in Section 66 of the Pension Act.
- 11.2.5 Under the Pension Settlement (Divorce) Act, it is possible, exclusively in the case of divorce or termination of the registered partnership otherwise than through death or disappearance or by conversion of a registered partnership into marriage, for the spouses or registered partners to agree by means of a marriage settlement or in the conditions of the registered partnership or by private written agreement in consideration of the divorce, that the payment entitlement as referred to in paragraph 1 of this Article 11.2 together with the special partner's pension entitlement described in Article 11.1 of the present Regulations may be converted into an own pension entitlement of the former Partner. This conversion is subject to the following conditions:
- an amount shall be deducted from the retirement pension of the Participant, Former Participant or Retiree on account of the conversion; this deduction shall not depend on whether the (former) Partner is alive;
 - the Pension Fund may impose further conditions on the conversion.
- 11.2.6 The Pension Fund shall notify the former Partner in writing of the entitlement on which the settlement shall be based. The Participant, Former Participant or Retiree shall receive a copy of this notification.

12 Disability

- 12.1 A Participant is entitled to a disability pension if his employment with the Employer is terminated on account of Disability.
- 12.2 A Participant claiming a disability pension is obliged:
- a. to undergo a medical investigation by a physician to be designated by the Pension Fund if the Pension Fund considers such an investigation to be desirable for establishing whether the Participant meets the conditions for Disability, and
 - b. to fully co-operate with the Pension Fund and the persons acting on its behalf in order to obtain the information, which in the Pension Fund's judgement is necessary for establishing the Disability. The same obligations shall apply each time the Pension Fund considers a medical investigation or the acquisition of information desirable to establish whether a Participant receiving disability pension still meets the criteria for Disability.

- 12.3 The disability pension shall enter into effect on the first day of the month following that in which service with the Employer is terminated and shall be paid until the Retirement Date, or if the Participant dies before that time, up to and including the last day of the month in which the Participant dies.
- 12.4 Notwithstanding the provisions of Article 12.3, the Pension Fund may determine at any time that the Participant no longer meets the criteria for Disability. In that case, the right to disability pension shall end two months after the last day of the month in which the Pension Fund notifies the Participant of its decision in writing. Participation ends on that date and the Former Participant shall be granted a non-contributory entitlement to a deferred pension as referred to in Article 15.2. If this Former Participant should again meet the criteria for disability before his Retirement Date owing to the original illness or ailments, the Pension Fund may decide to recommence the disability pension. The Pension Fund may determine the recommencement date and may impose further rules and conditions.
- 12.5 The disability pension amounts to:
- a. 100 per cent over the portion of salary up to the Second Limit, and
 - b. 70 per cent over the portion of salary above the Second Limit
- In this Article, 'salary' is taken to mean the Pension Base Salary plus any Pensionable Supplements as applicable on the date the disability pension is granted. The disability pension is redetermined on 1st July each year on the basis of an adjusted Pension Base Salary. This adjusted Pension Base Salary is determined in line with the evolution of the normal salary maxima as used in the remuneration system of Shell Nederland B.V.
- 12.6 If, in the judgement of the Pension Fund, a Participant, on account of his Disability, may be entitled to benefits under the WAO (Wet Arbeids-ongeschiktheid), WIA (Wet Werk en Inkomen naar Arbeidsvermogen) or any other (statutory) disability benefit, the Participant is obliged to apply immediately for such a benefit on the instruction of the Pension Fund and to take all other measures that are necessary to obtain said benefit and to notify the Pension Fund as soon as he receives that benefit.
- 12.7 If the Participant receives income from present or past employment during the period of his Disability, that income is deducted from the disability pension insofar as this income together with the disability pension exceeds the salary as referred to in Article 12.5. The Participant is obliged to notify the Pension Fund of this income.

13 Deduction in respect of a statutory disability benefit

- 13.1 Any statutory disability benefit to which the Participant is entitled, is deducted from a disability pension that has entered into effect.
- 13.2 Any statutory disability benefit to which the Retiree is entitled, is deducted from a retirement pension that has entered into effect. The amount to be deducted shall be determined by multiplying the statutory disablement benefit by the number of Pension Years on which the retirement pension is based and dividing the result by 40.
- 13.3 The Pension Fund may decide to disregard the deduction entirely or in part.
- 13.4 The sum of the deduction as referred to in Article 13.1 or 13.2 over one year shall not exceed the amount of the statutory disablement benefit to which the Participant or Retiree is entitled, calculated over that same year. No account is taken of any voluntary surrender of a statutory disablement benefit, unless the Pension Fund decides otherwise.

14 Pension accrual during Disability, unemployment, parental leave or unpaid leave

14.1 Pension accrual during Disability

14.1.1 A Participant who is entitled to a disability pension as referred to in Article 12 is entitled, during his period of Disability, to continue to accrue retirement pension, partner's pension and orphan's pension pursuant to the present Regulations until a maximum has been reached and subject to the provisions of Article 14.1.2. This maximum is reached when the retirement pension accrued under the present Regulations, plus the converted retirement pension ensuing from the transitional module as referred to in transitional provision 7 plus the AOW (General Old Age Pensions Act) benefit attains the level of the pension basis as referred to in Article 15.1.3.

AOW benefit is understood to mean the full entitlement (including holiday allowance) of a married AOW beneficiary with a partner older than 65, as provided for by the General Old Age Pensions Act on 1st July prior to the determination of the Pension Basis.

14.1.2 The maximum as referred to in Article 14.1.1 shall not apply if and insofar as retirement pension accrual based on:

- a. the number of Pension Years as of 31st December 2005, in the case of a disability pension already in existence on 1st January 2006, or
 - b. the number of Pension Years as of the date when the disability pension is granted, in the case of a disability pension granted after that date,
- generates a higher outcome. In that case the higher outcome shall be the maximum.

14.1.3 The accrual as referred to in Article 14.1.1 is based on the (adjusted) salary as referred to in Article 12.5.

14.1.4 While the Participant receives a disability pension on the basis of Article 12, he shall be exempt from paying the contributions as referred to in Article 4.

14.2 Pension accrual during unemployment

If a Participant is entitled to a contribution from "Stichting FVP" (Foundation for the Continued Financing of Pension Insurance), the accrual of pension entitlements shall continue while the Pension Fund receives the contribution from Stichting FVP and at the level determined by Stichting FVP.

14.3 Pension accrual during parental leave or unpaid leave

14.3.1 Participation shall continue during a period of parental leave or unpaid leave, but pension entitlements shall not be accrued unless the Employer decides otherwise with the permission of the Pension Fund. However, during such a period the partner's pension, orphan's pension and disability pension are protected by a risk coverage arrangement. This risk coverage is aligned with the end date of the leave and the Part-time Percentage that will apply when the leave ends. The Participant is not liable to pay any premiums for the risk coverage as referred to in this paragraph.

14.3.2 In the event of a period of partial parental leave, the provisions of Article 14.3.1 shall apply to that partial leave mutatis mutandis.

15 Termination of participation on or before the Retirement Date

15.1 Termination of participation on the Retirement Date

- 15.1.1 On termination of participation due to reaching the Retirement Date, a retirement pension shall be granted in accordance with Article 15.1.2 as well as an entitlement to partner's pension and orphan's pension in accordance with Articles 10.1 and 10.2.
- 15.1.2 For every Pension Year, the retirement pension amounts to the sum of:
- a. 1.1 per cent over the portion of the Pension Basis up to the First Limit;
 - b. 2.0 per cent over the portion of the Pension Basis between the First and Second Limits;
 - c. 1.75 per cent over the portion of the Pension Basis between the Second and Third Limits, and
 - d. 1.5 per cent over the portion of the Pension Basis above the Third Limit.
- The level of each of the aforementioned limits as they apply on the Grant Date is used in the calculation.
- 15.1.3 If pension has been accrued on the basis of Article 14.1 or 14.2 prior to termination of participation, the salary as referred to in Article 12.5, most recently adjusted, not including the pensionable supplements included in that salary, is taken to mean the Pension Base Salary for the purposes of calculating the Pension Basis.
- 15.1.4 The retirement pension shall enter into effect on the day following the Retirement Date and shall be paid up to and including the final day of the month in which the Retiree dies.

15.2 Termination of participation before the Retirement Date

- 15.2.1 On termination of participation, other than owing to death or reaching the Retirement Date and on termination of the disability pension as referred to in Article 12.4, a non-contributory entitlement to a deferred retirement pension shall be granted to the Former Participant as well as a non-contributory entitlement to partner's pension and orphan's pension. These non-contributory entitlements are equal to the entitlements accrued up to the Grant Date, calculated according to the provisions of the present Regulations.
- 15.2.2 The non-contributory entitlement to a deferred retirement pension, plus any supplements granted pursuant to Article 19, shall enter into effect on the day following the Retirement Date and shall be paid up to and including the final day of the month in which the Retiree dies.

16 Outgoing value transfer

In accordance with the statutory provisions governing value transfer, the Pension Fund will co-operate with arranging the transfer of the value of the non-contributory entitlements as referred to in Article 15.2 to the pension provider of the Former Participant's new employer. The value transfer also comprises that portion of the retirement pension to which any former Partner is entitled by virtue of a divorce as referred to in Article 11.2, unless a conversion has been applied as referred to in Article 11.2.5.

17 Flexibility options

17.1 Part-time retirement

- 17.1.1 The Participant and Employer may agree to the employee's part-time retirement with a simultaneous commensurate reduction of working hours, starting on the first day of a month within the period from the Participant's 55th birthday until his retirement age of 65. Such part-time retirement shall not affect his Retirement Age.
- 17.1.2 The Participant and Employer may agree to increase the Employee's Retirement Age, granting part-time retirement with immediate effect and a simultaneous commensurate reduction of working hours. The Retirement Age on the basis of this Article may not exceed 70. No higher Retirement Age shall take effect until the original Retirement Age has been reached.
- 17.1.3 The Employer must notify the Pension Fund, at least two months prior to the commencement of part-time retirement, of the agreement as referred to in Article 17.1.1 or 17.1.2, by submitting a copy of said agreement to the Pension Fund. In the case of part-time retirement as referred to in Article 17.1.1, this notification must be accompanied by the written consent of the Partner.
- 17.1.4 Working hours may be reduced to 80, 60 or 50 per cent. With respect to the remaining working hours, the Participant is a Part-time Employee and the provisions of Article 8 (Part-time service) shall apply in full force.
- 17.1.5 The part-time retirement pension consists of a lifelong retirement pension. In the case of part-time retirement as referred to in Article 17.1.1, part of that retirement pension and the associated partner's pension may be converted into a temporary retirement pension at the Participant's request. This request must be accompanied by the consent in writing of the Partner. The lifelong retirement pension enters into effect on the first day of the month in which the working hours are reduced in accordance with Article 17.1.4 and shall be paid up to and including the month in which the Participant or Retiree dies. The temporary retirement pension enters into effect on the first day of the month in which the working hours are reduced in accordance with Article 17.1.4 and shall be paid up to and including the month in which the Participant reaches the age of 65, or up to and including the last day of the month in which the Participant dies, should that occur earlier.
- 17.1.6 The part-time retirement pension shall be calculated in accordance with Article 15.2 on the date prior to the day when part-time retirement commences, based on the number of Pension Years accrued at that time, multiplied by the percentage by which the working hours are reduced. In the case of part-time retirement as referred to in Article 17.1.1, an early commencement deduction described in Article 17.2.2 shall be factored into the part-time retirement pension. The temporary retirement pension amounts to no more than the temporary retirement pension as referred to in Article 17.2.3 multiplied by the percentage by which the working hours are reduced.
- 17.1.7 On the Retirement Date, the remaining retirement pension shall be calculated in accordance with Article 15.1, with the number of Pension Years being reduced by the number of Pension Years that have already been used for part-time retirement. In the case of part-time retirement as referred to in Article 17.1.2, a late commencement supplement described in Article 17.3.3 is factored into the remaining retirement pension. In that case, the remaining retirement pension shall be paid on the day following the retirement date or the first day of the month following the date when the retirement pension is

100 per cent of the Pension Basis or the Pension Contribution Basis, whichever is higher, should that occur earlier. In this connection, retirement pension is taken to mean the part-time retirement pension as at the above-mentioned date together with the remaining retirement pension as of that date plus a late commencement supplement calculated until that date. In that case, the day before the commencement date shall be the Retirement Date and no further pension shall be accrued.

- 17.1.8 A part-time retirement pension that has entered into effect cannot be changed in the event of a subsequent change in the number of working hours. If this change involves a further reduction of working hours, a new part-time retirement pension may be granted in line with this additional reduction with due observance of the provisions of this Article.

17.2 Early commencement of pension

- 17.2.1 A Participant or a Former Participant, who has been a Former Participant for at least six months, may, on one occasion only, opt for a lower Retirement Age than that of 65 as indicated in Article 5, provided the chosen Retirement Age does not occur before the age of 55. If the Participant or Former Participant wishes to avail himself of this right, the Participant must notify the Pension Fund of this in writing no later than six months and the Former Participant must notify the Pension Fund of this in writing no later than two months, but no earlier than twelve months before his intended Retirement Age by means of the relevant form. This form must be co-signed by the Partner of the Participant or Former Participant. The Participant is required to submit a copy of the form to the Employer at the same time. The Retirement Age chosen on the basis of this Article 17.2 applies to the Participant provided that he does not die before reaching this chosen Retirement Age and that a disability pension as referred to in Article 12 is not granted to the Participant before reaching this Retirement Age.
- 17.2.2 If a Participant or Former Participant avails himself of the facility as referred to in Article 17.2.1, the retirement pension and associated partner's pension as referred to in Article 15.1 or 15.2 shall be reduced by an early commencement deduction depending on the chosen Retirement Age. The amount of the early commencement deduction is calculated with the aid of the factors described in the Attachment to the present Regulations. These factors are established by the Pension Fund on the recommendation of the actuary. On 1st July of each year the Pension Fund decides upon the recommendation of the actuary whether these factors are to be adjusted.
- 17.2.3 Part of the retirement pension and the associated partner's pension may be converted into a temporary retirement pension at the request of the Participant or Former Participant. This request must be accompanied by the consent in writing of the Partner. The temporary retirement pension enters into effect on the day following the (adjusted) Retirement Date and is paid up to and including the last day of the month prior to that in which the Retiree reaches the age of 65, or up to and including the last day of the month in which the Retiree dies, should that occur earlier.
- The Participant or Former Participant may determine the level of the temporary retirement pension up to a maximum annual amount. This maximum entitlement is equal to twice the full entitlement (including holiday allowance) of a married AOW beneficiary with a partner older than 65, as provided for by the General Old Age Pensions Act on 1st July prior to the determination of the Pension Basis.
- The conversion is made with the aid of the factors described in the Attachment to the present Regulations. These factors are established by the Pension Fund on the recommendation of the actuary. On 1st July of each year the Pension Fund decides upon the recommendation of the actuary whether these factors are to be adjusted.

17.3 Late commencement of pension

- 17.3.1 The Participant and the Employer may agree to raise the Participant's Retirement Age. The Retirement Age on the basis of this Article may not exceed 70. A higher Retirement Age shall not take effect until the original Retirement Age has been reached.
- 17.3.2 The Employer must notify the Pension Fund about the agreement as referred to in Article 17.3.1 at least two months before the commencement of the higher Retirement Age, by submitting a copy of said agreement.
- 17.3.3 If the Retirement Age as referred to in Article 17.3.1 is raised, the retirement pension as referred to in Article 15.1 and the associated partner's pension will be increased by a late commencement supplement depending on the chosen Retirement Age. The amount of the late commencement supplement is calculated with the aid of the factors described in the Attachment to the present Regulations. These factors are established by the Pension Fund on the recommendation of the actuary. On 1st July of each year the Pension Fund decides upon the recommendation of the actuary whether these factors are to be adjusted. Notwithstanding the above, the retirement pension shall be paid on the day following the Retirement Date or the first day of the month following the date when the retirement pension is 100 per cent of the Pension Basis or Pension Contribution Basis, whichever is higher, if that is earlier. In that connection, retirement pension is taken to mean the retirement pension that applies on the above-mentioned date plus a late commencement supplement calculated until that date. In that case, the day before the commencement date shall be the Retirement Date and no further pension shall be accrued.

17.4 Choices effective on Retirement Date

17.4.1 Conversion

- 17.4.1.1 The Participant or Former Participant may submit a request to the Pension Fund on one occasion only, with effect from the Retirement Date:
- a. to change the relation between the level of the retirement pension applicable on the Retirement Date and the level of entitlement to partner's pension applicable on the Retirement Date in such a way that the lifelong partner's pension amounts to 0, 30, 50, or 70 per cent of the retirement pension. If the retirement and/or
 - b. to convert 30 or 50 per cent of the retirement pension insofar as that would be paid out following the death of the Partner into an increase in the retirement pension that is paid out while the Partner is alive and into an increase of the lifelong partner's pension.
- The relevant request must be submitted on a form (provided by the Pension Fund) to the Pension Fund no later than two months before the Retirement Date, and must be accompanied by the consent in writing of the Partner.
- 17.4.1.2 If the Participant or Former Participant has no Partner on the Retirement Date, the lifelong and supplementary partner's pension shall be converted in full into an increase of the retirement pension.
- 17.4.1.3 The conversion as referred to in this Article 17.4.1 shall be made with the aid of the factors described in the Attachment to the present Regulations. These factors are established by the Pension Fund on the recommendation of the actuary. On 1st July of each year the Pension Fund decides upon the recommendation of the actuary whether these factors are to be adjusted.

17.4.2 Variable pension

- 17.4.2.1 The Participant or Former Participant may submit a request to the Pension Fund, on one occasion only, to increase or decrease his entitlement to lifelong retirement pension with effect from the Retirement Date and during a period to be specified by him, expressed either as a number of years with a minimum of one year and a maximum of ten years, or until the month in which the Participant or Former Participant reaches the age of 65. The request must be submitted to the Pension Fund no later than two months before the Retirement Date, and must be accompanied by the consent in writing of the Partner.
- 17.4.2.2 In the case of a temporary increase in the retirement pension as referred to in Article 17.4.2.1, a temporary supplement shall be applied during the period of the increase, which shall be followed by a deduction. In the case of a temporary decrease in the retirement pension as referred to in Article 17.4.2.1, a temporary deduction shall be applied during the period of the decrease, which shall be followed by a supplement. The supplement or the deduction is calculated with the aid of the factors described in the Attachment to the present Regulations. These factors are established by the Pension Fund on the recommendation of the actuary. On 1st July of each year the Pension Fund decides, upon the recommendation of the actuary, whether these factors are to be adjusted.
- 17.4.2.3 The difference between the highest and lowest level of payment as referred to in Article 17.4.2.1 may amount to 15, 20, 25, 30 or 33 1/3 per cent of the lowest level of payment.
- 17.4.2.4 When establishing the level of the partner's pension, account is taken during the period as referred to in Article 17.4.2.1 of the increase or decrease of the pension as referred to in this Article.

17.5 Restriction of flexibility options

The flexibility options described in this Article 17 cannot be exercised if and insofar as this means it is no longer possible to deduct a previously granted special partner's pension from the partner's pension and/or if the granted payment entitlement of a divorce settlement beneficiary as referred to in Article 11.2 can no longer be deducted from the retirement pension.

18 Payment of pensions

18.1 Determination in Euros

All pensions pursuant to the present Regulations are expressed in Euros. Amounts in a different currency shall be converted into Euros in order to calculate the pensions on the basis of exchange rates to be determined by the Pension Fund.

18.2 Pension payments

- 18.2.1 Pensions shall be paid to the rightful beneficiary or his legal representative. In the case of an orphan's pension, the Pension Fund may determine that payment shall be made to the actual carer.
- 18.2.2 A pension shall only be paid if the Pension Fund receives a written request so to do. Such a request may be submitted from one year prior to the pension commencement date.

- 18.2.3 Pensions that have entered into effect may be paid in any member state of the European Union and shall be paid no later than the fifth working day of each month to which the payment relates. The Pension Fund shall deduct transaction costs from the pension payment for payments outside the Netherlands. Pensions that have entered into effect will not be divided up and paid in different parts, unless otherwise provided for by law.

18.3 Commutation of small pensions

- 18.3.1 The Pension Fund will convert the entitlement to retirement pension of a Former Participant and any other entitlements in respect of the Former Participant or his dependants into a lump-sum payment two years after participation has ended or earlier if a pension enters into effect earlier, if the annual amount of that pension is no more than the amount as referred to in Section 66 of the Pension Act, unless the Former Participant has notified the Pension Fund within two years after participation has ended that he has initiated a value-transfer procedure. The pension is converted into a lump-sum payment in accordance with, under and pursuant to the provisions of the Pension Act.
- 18.3.2 The Pension Fund will convert the entitlement to partner's pension and any other pension rights in respect of the dependants of the same Participant, Former Participant or Retiree into a lump-sum payment, if, when the partner's pension enters into effect, the annual amount of that pension is no more than the amount as referred to in Section 66 of the Pension Act. The pension is converted into a lump-sum payment in accordance with, under and pursuant to the provisions of the Pension Act.
- 18.3.3 The Pension Fund will convert any entitlement to a special partner's pension into a lump-sum payment, if, when the partner's pension enters into effect, the annual amount of that pension is no more than the amount as referred to in Section 66 of the Pension Act. The pension is converted into a lump-sum payment in accordance with, under and pursuant to the provisions of the Pension Act.
- 18.3.4 Small retirement, Partner's or special partner's pensions as referred to in this Article are converted into a lump-sum payment on the basis of the conversion factors described in the Attachment to the present Regulations. These factors are established by the Pension Fund on the recommendation of the actuary. On 1st July of each year the Pension Fund decides, upon the recommendation of the actuary, whether these factors are to be adjusted.

19 Supplements to deferred pensions and pensions that have taken effect

19.1 Unconditional supplements

On 1st July of each year, an adjustment shall be made to a lifelong partner's pension or orphan's pension that has been granted and has entered into effect, insofar as the Retirement Date of the deceased Participant or Former Participant has not yet been reached, and to a supplementary partner's pension that has been granted and has entered into effect, in line with the evolution of the normal maximum of salary group 15 as used in the remuneration system of Shell Nederland B.V. A granted disability pension is adjusted as described in Article 12.5.

19.2 Conditional supplements

Pension entitlements that have entered into effect and non-contributory pension entitlements, other than the pensions as referred to in Article 19.1 and transitional provisions 6 and 8, may be adjusted for cost of living as of 1st July each year by no more than the increase or decrease in the “derived price index for all households” published by Statistics Netherlands (CBS) over the reference period from March of the previous year to March of the current year.

Eligible for adjustment as aforesaid are pension entitlements granted before 1st March of the year in question. Each year, the Pension Fund determines the extent to which such pension rights and pension entitlements are to be adjusted. If financial resources so permit, the Pension Fund may decide to fully or partly catch up cost-of-living increments not granted or only partially granted in the past. Catch-up adjustments relate only to future payments. No specific reserves have been formed for this conditional adjustment promise and no contributions are paid to cover this.

20 Forfeiture and surety

Pension entitlements acquired pursuant to the present Regulations shall be strictly personal and may not be assigned, pledged or in any other way alienated or encumbered without the consent in writing of the Pension Fund.

21 Final provisions

21.1 Special cases

21.1.1 The Pension Fund is authorized to deviate from the provisions of the present Regulations if in individual cases or for one or more groups of Participants, Former Participants and/or Retirees the strict application of the present Regulations would in the judgement of the Pension Fund lead to grave inequities and the rights or entitlements of those persons would not be impaired as a result of such deviation. The provisions of the previous sentence are subject to the condition that the deviation shall not conflict with any statutory regulation and that the deviation is recorded in writing.

21.1.2 The Board of the Pension Fund shall decide on all other cases not provided for by the present Regulations.

21.2 Payment not effected in the case of crime

No entitlement to a (special) partner's pension or an orphan's pension shall exist if the commencement of that pension is a consequence of any crime that has resulted in the beneficiary receiving a conviction as a perpetrator or accomplice.

21.3 Applicable law and settlement of disputes

All legal relationships with respect to the present Regulations existing between the Pension Fund, an Employer and/or a Participant, Former Participant or Retiree, as well as other persons having a right or entitlement to any disbursement from the Pension Fund shall be subject to the Laws 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.

21.4 Reduction of pension entitlements and pension rights by the Pension Fund

Following consultations with the certifying actuary and on the amendment of the present Regulations, 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 Board shall notify the Participants, Former Participants, Pension Beneficiaries and the Employer 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 Participants, Former Participants, Pension Beneficiaries, the Employer and De Nederlandsche Bank have been notified of this.

21.5 Amendment of the pension agreement

The Employer may amend the pension agreement without the consent of the Employee if the reasons of the Employer are so compelling that the amendment outweighs the interests of the Employee in accordance with the standards of reasonableness and fairness.

22 Scope of application, entry into force and amendment

22.1 Scope of application

22.1.1 The provisions of the present Regulations shall apply to Employees who have accredited service as Pension Fund Participants under Regulations IV on 31st December 2005 or who were on unpaid leave or parental leave on that date, as well as to Employees who have joined the Pension Fund as Participants since that date.

22.1.2 For Employees to whom the present Regulations are applicable, all entitlements ensuing from Regulations IV which preceded the present Regulations shall be replaced by entitlements pursuant to the present Regulations, unless an Employee has been granted a non-contributory entitlement to a deferred pension at his request on the basis of the entitlements accrued under Regulations IV as of 31st December 2005. In that case, the pension years accrued under Regulations IV shall not be included in any Pension Years accrued under the present Regulations.

22.2 Entry into force

The present Regulations entered into force on 1st January 2006 under the name "Regulations V" and were amended most recently on 1st July 2008.

22.3 Amendment

These Regulations may be amended in accordance with the provisions of Article 11, paragraphs 3 and 4 and Articles 12 and 28 of the Constitution.

Transitional provisions

1. Extra retirement pension

Participants who joined the Pension Fund before 1st January 2006, and to whom transitional provision 8 does not apply, shall be eligible for extra retirement pension, in addition to the provisions of Article 15. This extra retirement pension amounts to 0.25 per cent over the portion of the Pension Basis above the Second Limit for every Pension Year generated from participation from the date the present Regulations enter into force up to and including 31st December 2020.

2. Guarantee of widow's pension accrued as of 31st December 2005 as referred to in Regulations IV in effect on 31st December 2005

The following shall apply to Participants who joined the Pension Fund before 1st January 2006 and for whom the pension entitlements accrued as of 31st December 2005 under Regulations IV in effect at that time have been converted into pension entitlements under the present Regulations:

- a. The accrued entitlements to a lifelong widow's pension according to Regulations IV ("X") are compared with the entitlements to a lifelong partner's pension on the basis of the present Regulations ("Y"), both calculated as of 31st December 2005. If X is higher than Y, the value of an extra number of Pension Years as is needed to bridge this difference is subtracted from the transfer value. The number of extra Pension Years established thus is used exclusively to increase the number of Pension Years upon which the lifelong partner's pension is based.
- b. The accrued entitlements to widow's transitional pension and the Under-65 allowance for widows according to Regulations IV ("XX") are compared with the supplementary partner's pension on the basis of the present Regulations, calculated as of 31st December 2005 ("YY"). If XX is higher than YY, the value of an extra number of Pension Years as is needed to bridge this difference is subtracted from the transfer value. The number of extra Pension Years established thus is used exclusively to increase the number of Pension Years upon which the supplementary partner's pension is based.

3. Pensionable Supplement

For Participants who joined the Pension Fund before 1st January 2006 and who had a Pensionable Supplement on 31st December 2005, it is assumed for the determination of the Pension Basis that they had received this Pensionable Supplement over the total number of accrued Pension Years up to and including 31st December 2005.

For Participants who joined the Pension Fund before 1st January 2006 and who did not have a Pensionable Supplement on 31st December 2005, it is assumed for the determination of the Pension Basis that they did not receive a Pensionable Supplement up to and including 31st December 2005.

4. Disability pension guarantee as of 31st December 2005

For Participants who joined the Pension Fund before 1st January 2006 and to whom a disability pension had been granted before or on 31st December 2005 on the basis of Regulations IV, this pension shall be calculated in accordance with Article 12 of the present Regulations with effect from 1st January 2006. Insofar as the disability pension thus calculated is lower than the disability pension that applied on 31st December 2005 on the basis of Regulations IV, the level of the latter pension shall be guaranteed.

5. Guarantee of a Supplementary Pension for Shiftwork (APP) granted on or before 31st December 2005

For Participants who joined the Pension Fund before 1st January 2006 and for whom the pension entitlements accrued as of 31st December 2005 under Regulations IV in effect at that time have been converted into pension entitlements under the present Regulations and to whom a Supplementary Pension for Shiftwork (Aanvullend Pensioen Ploegendienst, APP) had been granted on or before 31st December 2005, the APP amount is added to the Pension Basis effective on the Grant Date. The retirement pension shall then be calculated over the Pension Basis thus increased.

6. Maintaining compensation accrued for uninsured years, parallel pensions and existing defined debt/deduction under Regulations IV as of 31st December 2005

For Participants who joined the Pension Fund before 1st January 2006 and whose pension entitlements accrued as of 31st December 2005 under Regulations IV in effect at that time have been converted into pension entitlements under the present Regulations, and who had an accrued entitlement to compensation for uninsured years, as referred to in Article 14 of Regulations IV as of 31st December 2005 under Regulations IV and/or an entitlement to parallel pensions as referred to in Article 18 of Regulations IV, and/or had incurred a defined debt deduction as referred to in Article 15 of Regulations IV, the relevant Regulations IV provisions shall remain in full force. No future accrual of the aforementioned pension entitlements shall be made. The entitlement to accrued compensation for uninsured years as of 31st December 2005 is adjusted on 1st July each year in line with the evolution of AOW benefit as referred to in Article 14.1.1.

7. Transitional module

Participants:

- a. (i) who were born after 1949, or
(ii) who were born before 1950 and have not opted to maintain pension accrual and retirement age in accordance with Regulations IV, and
- b. whose pension entitlements accrued as of 31st December 2005 under Regulations IV in effect at that time have been converted into pension entitlements under the present Regulations, have an overvalue. This overvalue is accommodated in a transitional module.

The overvalue is the result of the value of the pension entitlements accrued as of 31st December 2005 under Regulations IV, minus the value of the pension entitlements based on the number of Pension Years as of 1st January 2006 under the present Regulations and, if applicable, minus the value of pension entitlements on the basis of the extra Pension Years as referred to in Transitional Provision 2.

The overvalue is converted into retirement pension commencing at the Retirement Age of 65 and is expressed as a percentage of the Pension Base Salary. The Participants in question have received written notification of the transitional module and the overvalue.

The overvalue can be used as follows:

- a. in the case of a Retirement Age of 65, the overvalue is converted into a retirement pension increase, commencing at the Retirement Age, and a partner's pension increase;
- b. in the case of a Retirement Age lower than 65, the overvalue is used to purchase a temporary retirement pension as referred to in Article 17.2.3, if the Participant has requested this on the basis of Article 17.2.3.

- Any residual overvalue is converted into a retirement pension increase commencing at the Retirement Age, and a partner's pension increase;
- c. in the case of a Retirement Age above 65, the overvalue is converted into a retirement pension increase at the age of 65 commencing at the Retirement Age, and a partner's pension increase;
 - d. in the case of part-time retirement as referred to in Article 17.1.1, the portion of the overvalue determined by multiplying the overvalue by the percentage reduction of working hours is used to purchase a temporary retirement pension as referred to in Article 17.1.6, if the Participant has requested this on the basis of Article 17.1.5. Any residual amount from this portion of the overvalue is converted into a retirement pension increase commencing on the date when the part-time retirement commences, and a partner's pension increase;
 - e. in the case of part-time retirement as referred to in Article 17.1.2, the portion of the overvalue determined by multiplying the overvalue by the percentage reduction of working hours, is used to increase the retirement pension commencing on the date when the part-time retirement commences and a partner's pension increase.

The conversion is calculated by making use of the factors described in the Attachment to the present Regulations. These factors are established by the Pension Fund on the recommendation of the actuary. On 1st July of each year the Pension Fund decides, upon the recommendation of the actuary, whether these factors are to be adjusted.

8. Maintaining pension accrual and retirement age in accordance with Regulations IV

For Participants who were born before 1950 and

- 1. who have opted to continue pension accrual and maintain the retirement age of Regulations IV, or
- 2. for whom the original retirement age on the basis of Regulations IV had already been reached before 1st January 2006 and had been increased before that time on the basis of Article 8.2 of Regulations IV, the following applies as a departure from the provisions of the present Regulations:
 - (i) retirement pension is accrued in accordance with Articles 10.1.a., 10.1.b., 10.1.c., 10.1.e., 11.1., 12 and 13 of Regulations IV;
 - (ii) partner's pension is accrued in accordance with Articles 27.1.a., 27.1.b., 27.1.c., 27.2.e., 11.1., 28 and 13 of Regulations IV;
 - (iii) orphan's pension is accrued in accordance with Articles 32.1.a., 32.1.b., 32.1.c., 32.1.d., 10.1.a., 10.1.b., 10.1.c. and 10.1.e. of Regulations IV;
 - (iv) the Retirement Age is the retirement age applicable under Regulations IV;
 - (v) Articles 17.1.2 and 17.3 of the present Regulations shall not be applicable;
 - (vi) in the case of a deduction as referred to in Article 13.2, the deduction is determined by multiplying the statutory disablement benefit by the number of pension years upon which the retirement pension is based and dividing this by 35;
 - (vii) a granted widow's and orphan's pension that also entered into effect insofar as and for as long as the Retirement Date of the deceased Participant or Former Participant has not yet been reached, and a granted transitional pension or widow's transitional pension that have entered into effect, and a granted under-65 allowance that has entered into effect, shall be adjusted on 1st July each year in line with the evolution of the normal salary maximum of salary group 15 as used in the remuneration system of Shell Nederland B.V.;
 - (viii) all Articles of the present Regulations are otherwise applicable unless their application has been explicitly excluded.

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