

## INFORMATION MEMORANDUM



### **SHELL INTERNATIONAL FINANCE B.V.**

LEI No.213800ITMMKU4Z7I4F78

*(incorporated with limited liability in The Netherlands  
and having its statutory domicile in The Hague)*

**as Issuer**

### **ROYAL DUTCH SHELL PLC**

LEI No.21380068P1DRH MJ8KU70

*(incorporated with limited liability in England)*

**as Issuer and Guarantor**

## **MULTI-CURRENCY DEBT SECURITIES PROGRAMME**

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*Arranger*

**BNP PARIBAS**

*Dealers*

**ANZ**

**BNP PARIBAS**

**CITIGROUP**

**CREDIT SUISSE**

**GOLDMAN SACHS INTERNATIONAL**

**J.P. MORGAN**

**MIZUHO SECURITIES**

**MUFG**

**RBC CAPITAL MARKETS**

**SMBC NIKKO**

**STANDARD CHARTERED BANK**

**WELLS FARGO SECURITIES**

**BARCLAYS**

**CIBC CAPITAL MARKETS**

**CRÉDIT AGRICOLE CIB**

**DEUTSCHE BANK**

**HSBC**

**LLOYDS BANK CORPORATE MARKETS**

**MORGAN STANLEY**

**NATWEST MARKETS**

**SANTANDER GLOBAL CORPORATE BANKING**

**SOCIÉTÉ GÉNÉRALE CORPORATE &**

**INVESTMENT BANKING**

**UBS INVESTMENT BANK**

**An investment in Notes issued under the Programme involves certain risks. For information on this see "Risk Factors".**

**The date of this Information Memorandum is 3 August 2018**

## Overview of the Programme

Shell International Finance B.V. ("**Shell Finance**") and Royal Dutch Shell plc ("**Royal Dutch Shell**") (each an "**Issuer**" and, together, the "**Issuers**") have established a multi-currency programme (the "**Programme**") to facilitate the issuance of notes and other debt securities (the "**Notes**") guaranteed (in the case of Notes issued by Shell Finance) by Royal Dutch Shell (the "**Guarantor**").

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the "**UK Listing Authority**") for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the official list of the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Information Memorandum to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the London Stock Exchange's regulated market. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). However, Notes may be issued pursuant to the Programme on an unlisted basis or may be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed between the relevant Issuer, the Guarantor (in the case of Notes issued by Shell Finance) and the relevant Dealer (as defined below). The applicable Final Terms and/or applicable Pricing Supplement, as the case may be, (as defined below) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to listing on the Official List and to trading on the London Stock Exchange (or any other or further listing authority, stock exchange and/or quotation system, if applicable).

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area ("**EEA**") and/or offered to the public in the EEA, other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Information Memorandum to "**Exempt Notes**" are to Notes (including Swiss Franc Domestic Notes, as defined below) for which no prospectus is required to be published under the Prospectus Directive. The UK Listing Authority has neither reviewed nor approved any information in this Information Memorandum pertaining to Exempt Notes and the UK Listing Authority assumes no responsibility in relation to issues of Exempt Notes.

This Information Memorandum comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. "**Prospectus Directive**" means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in a relevant Member State of the EEA. The information contained in this Information Memorandum applies to all Notes (other than Exempt Notes) issued after the date of this Information Memorandum.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes (other than in the case of Exempt Notes, as defined above) will be set out in a final terms document (the "**Final Terms**") which will be delivered to the UK Listing Authority and, where listed on such exchange, the London Stock Exchange. Copies of each Final Terms relating to the Notes will be available from the registered office of the relevant Issuer and from the specified office set out below of each of the Paying Agents (as defined below). In addition, Final Terms relating to Notes which are admitted to trading on the London Stock Exchange's regulated market will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "**Pricing Supplement**").

Royal Dutch Shell has been rated Aa2 by Moody's Investors Service Ltd ("**Moody's**") and A+ by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). For the purposes of the credit ratings included and referred to in this Information Memorandum, both Moody's and S&P are established in the European Union and are registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each

of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued pursuant to the Programme may be rated or unrated. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme, the relevant Issuer or (if applicable) the Guarantor. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "*Ratings of the Notes*" in the "*Risk Factors*" section of this Information Memorandum.

Amounts payable on Floating Rate Notes will be calculated by reference to one of the London Interbank Offered Rate ("**LIBOR**"), Euro Interbank Offered Rate ("**EURIBOR**"), the London Interbank Bid Rate ("**LIBID**") or London Interbank Mean Rate ("**LIMEAN**") as specified in the relevant Final Terms. As at the date of this Information Memorandum, ICE Benchmark Administration Limited, the administrator of LIBOR, is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**") and European Money Market Institute, the administrator of EURIBOR, is not included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation. As far as the Issuers are aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the European Money Markets Institute is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence). As far as the Issuers are aware, the administrators of LIBID and LIMEAN have not yet been appointed.

Each Tranche (as defined below) of Notes will be in bearer form and will be represented upon issue by either a temporary global note (each a "**Temporary Global Note**") or, if so specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), a permanent global note (each a "**Permanent Global Note**") and, together with a Temporary Global Note, the "**Global Notes**" and each a "**Global Note**"). In each case, the Temporary Global Note or the Permanent Global Note, as the case may be, will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below), on or prior to the issue date with a common safekeeper (if the Global Note(s) are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms or Pricing Supplement, in the case of Exempt Notes), or a common depositary (if the Global Note(s) are not intended to be issued in NGN form), in each case on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer. Interests in a Temporary Global Note will only be exchangeable for interests in a Permanent Global Note or, if so stated in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) (and subject to such notice period as is specified in the relevant Final Terms or Pricing Supplement, in the case of Exempt Notes), for Notes in definitive form ("**Definitive Notes**") on and after the first business day (the "**Exchange Date**", which date shall be determined by the Agent (as defined herein)) following the expiry of 40 days after the later of (i) the issue date of the Notes of the relevant Tranche and (ii) the completion of the distribution of the Notes of such Tranche, upon certification as to non-U.S. beneficial ownership. Swiss Franc Domestic Notes (as defined below) will be represented upon issue by a Permanent Global Note and are subject to an exemption from the certification requirements under U.S. Treasury regulations. "**Swiss Franc Domestic Notes**" means an issue of Notes denominated in Swiss Francs or carrying a Swiss Franc-related element that is cleared through SIX SIS Ltd, the Swiss Securities Services Corporation in Olten, Switzerland, or any successor thereto ("**SIS**"). Euroclear and Clearstream, Luxembourg will be notified in respect of each Note to be issued in NGN form whether or not it is intended to be held in a manner which would allow Eurosystem eligibility.

Each of Shell Finance and Royal Dutch Shell (each an "**Obligor**" and, together, the "**Obligors**" and the "**Responsible Persons**") accepts responsibility for the information contained in this Information Memorandum and the Final Terms or the Pricing Supplement, as the case may be, for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Obligors (having taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), the only persons authorised to use this Information Memorandum in connection with an offer of Notes are the persons named in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) as the relevant Dealer, the Managers and the persons named in or identifiable from the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) as the Financial Intermediaries, as the case may be.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the issue or sale of any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Obligors or any of the Dealers (as named under "*Overview of the Programme*" below). Subject to the paragraph entitled "*Information Memorandum supplement*" on page 28, none of the Obligors or the Dealers accepts any responsibility, express or implied, for updating this Information Memorandum. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either of the Obligors since the date of this Information Memorandum or that there has been no adverse change in the financial position of the Obligors since the date of this Information Memorandum or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Information Memorandum and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Obligors and the Dealers to inform them about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. State securities laws, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act, unless an exemption from registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. For a description of certain restrictions on offers and sales of Notes and on distribution of this Information Memorandum, see "*Subscription and Sale*" below.

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Obligors or the Dealers to subscribe for or purchase, any Notes.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II Product Governance / target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer

subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

None of the Dealers and the Trustee (as defined below) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Information Memorandum. Neither this Information Memorandum nor any other financial statements are intended to provide the basis of any credit, taxation or other evaluation and should not be considered as a recommendation by any Obligor, the Dealers or the Trustee that any recipient of this Information Memorandum or any other financial statements should purchase any Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Information Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. Each potential purchaser of Notes is advised to consult a professional adviser in connection therewith. None of the Dealers undertakes to review the financial condition or affairs of the Obligors during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in any Notes of any information coming to the attention of any of the Dealers.

**In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) acting as the stabilisation manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any such stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and regulations. Any loss or profit sustained as a consequence of any such over-allotment or stabilising shall, as against the Issuer, be for the account of the Stabilising Manager(s).**

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) understands thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions

apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In this Information Memorandum "**Shell**" and the "**Shell Group**" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. Likewise, the words "**we**", "**us**" and "**our**" are also used to refer to subsidiaries in general or to those who work for them.

These expressions are also used where no useful purpose is served by identifying the particular company or companies. "**Subsidiaries**", "**Shell subsidiaries**" and "**Shell companies**" as used in this Information Memorandum refer to companies over which Royal Dutch Shell, either directly or indirectly, has control through a majority of the voting rights or the right to exercise control or to obtain the majority of the benefits and be exposed to the majority of the risks. The Consolidated Financial Statements consolidate the financial statements of the parent company and all its subsidiaries. The companies in which Shell has significant influence but not control are referred to as "**associated companies**" or "**associates**" and companies in which Shell has joint control are referred to as "**jointly controlled entities**". Joint ventures are comprised of jointly controlled entities and jointly controlled assets. In this Information Memorandum, associates and jointly controlled entities are also referred to as "**equity-accounted investments**".

In this Information Memorandum, unless otherwise specified or the context otherwise requires, references to "**U.S.\$**", "**U.S. Dollars**" and "**\$**" are to the lawful currency of the United States, to "**C\$**" are to the lawful currency of Canada, to "**A\$**" are to the lawful currency of Australia, to "**Swiss Francs**" are to the lawful currency of Switzerland, to "**euro**" or "**€**" are to the lawful currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended, and to "**pounds sterling**", "**sterling**" and "**£**" are to the lawful currency of the United Kingdom, and all references to "**CNY**" and "**Renminbi**" are to the lawful currency of the People's Republic of China (the "**PRC**") which, for the purposes of this Information Memorandum, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan.

Certain figures and percentages included in this Information Memorandum have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

## ISSUE OF NOTES

Notes will be issuable on a continuous basis in series (each a "**Series**"), such Notes having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, interest commencement date and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in a final terms document (the "**Final Terms**") or, in the case of Exempt Notes, a pricing supplement (the "**Pricing Supplement**"), both forms of which are set out in "*Form of Final Terms*" and "*Form of Pricing Supplement*" respectively, below.

This Information Memorandum should be read and construed in conjunction with any amendment or supplement hereto and all documents incorporated herein by reference (see "*Documents Incorporated by Reference*"). Furthermore, in relation to any Series of Notes, this Information Memorandum should be read and construed together with the relevant Final Terms or Pricing Supplement, as the case may be.

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## Risk Factors

*In purchasing Notes, investors assume the risk that the Obligors may become insolvent or otherwise be unable to make all payments due in respect of the Notes issued under the Programme. There is a wide range of factors which individually or together could result in the Obligors becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Obligors may not be aware of all relevant factors and certain factors which it currently deem not to be material, may become material as a result of the occurrence of events outside the Obligor's control. The Obligors have identified in this Information Memorandum a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.*

***The following is a general discussion of certain risks typically associated with the Obligors and the acquisition of, and holding, Notes issued under the Programme. It does not consider the investor's specific knowledge and/or understanding of risks typically associated with the Obligors and the acquisition of, and holding, Notes issued under the Programme, whether obtained through experience or circumstances that may apply to a particular investor. References in this "Risk Factors" section to "Shell" means Royal Dutch Shell and all of its subsidiaries including Shell Finance.***

### **Risks related to Shell's business**

Shell's operations and earnings are subject to competitive, economic, political, legal, regulatory, social, industry, business and financial risks, as discussed below. These could have a material adverse effect separately, or in combination, on Shell's operational performance, earnings or financial condition. Accordingly, investors should carefully consider these risks.

*Shell is exposed to fluctuating prices of crude oil, natural gas, oil products and chemicals.*

The prices of crude oil, natural gas, oil products and chemicals are affected by supply and demand, both globally and regionally. Moreover, prices for oil and gas can move independently of each other. Factors that influence supply and demand include operational issues, natural disasters, weather, political instability, conflicts, economic conditions and actions by major oil and gas producing countries. Additionally, in a low oil and gas price environment, Shell would generate less revenue from its Upstream and Integrated Gas businesses, and, as a result, parts of those businesses could become less profitable, or could incur losses. Additionally, low oil and gas prices have resulted, and could continue to result, in the debooking of proved oil or gas reserves, if they become uneconomic in this type of price environment. Prolonged periods of low oil and gas prices, or rising costs, can result in projects being delayed or cancelled. In addition, assets have been impaired in the past, and there could be impairments in the future. Low oil and gas prices could also affect Shell's ability to maintain its long-term capital investment programme and dividend payments. Prolonged periods of low oil and gas prices could affect the financial, fiscal, legal, political and social stability of countries that rely significantly on oil and gas reserves. In a high oil and gas price environment, Shell could experience sharp increases in costs, and, under some production-sharing contracts, Shell's entitlement to proved reserves would be reduced. Higher prices could also reduce demand for Shell's products, which could result in lower profitability, particularly in its Downstream business. Accordingly, price fluctuations could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Shell's ability to deliver competitive returns and pursue commercial opportunities depends in part on the accuracy of the price assumptions.*

Shell uses a range of oil and gas price assumptions, which it reviews on a periodic basis, to evaluate projects and commercial opportunities. If Shell's assumptions prove to be incorrect, it could have a material adverse effect on Shell's earnings, cash flows and financial condition.



*Shell's ability to achieve strategic objectives depends on how it reacts to competitive forces.*

Shell faces competition in each of its businesses. Shell seeks to differentiate its products; however, many of them are competing in commodity-type markets. Accordingly, failure to manage Shell's costs as well as its operational performance could result in a material adverse effect on Shell's earnings, cash flows and financial condition. Shell also competes with state-owned oil and gas entities, with vast access to financial resources. State-owned entities could be motivated by political or other factors in making their business decisions. Accordingly, when bidding on new leases or projects, Shell could find itself at a competitive disadvantage, as these state-owned entities may not require a competitive return. If Shell is unable to obtain competitive returns when bidding on new leases or projects, this could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Shell is seeking to execute divestments in the pursuit of its strategy. Shell may not be able to successfully divest these assets in line with its strategy.*

Shell may not be able to successfully divest assets at acceptable prices or within the timeline envisaged due to market conditions or credit risk, resulting in increased pressure on its cash position and potential impairments. Shell may be held liable for past acts, failures to act or liabilities that are different from those foreseen. Shell may also face liabilities if a purchaser fails to honour all of its commitments. Accordingly, if Shell is unable to divest assets at acceptable prices or within its envisaged timeframe, this could have a material adverse effect on its earnings, cash flows and financial condition.

*Shell's future hydrocarbon production depends on the delivery of large and integrated projects, as well as on Shell's ability to replace proved oil and gas reserves.*

Shell faces numerous challenges in developing capital projects, especially those which are large and integrated. Challenges include uncertain geology, frontier conditions, the existence and availability of necessary technology and engineering resources, the availability of skilled labour, the existence of transportation infrastructure, project delays, the expiration of licences and potential cost overruns, as well as technical, fiscal, regulatory, political and other conditions. These challenges are particularly relevant in certain developing and emerging-market countries, in frontier areas and in deepwater fields, such as off the coast of Brazil. Shell may fail to assess or manage these and other risks properly. Such potential obstacles could impair Shell's delivery of these projects, its ability to fulfil the value potential at the time of the project investment approval, and/or its ability to fulfil related contractual commitments. These could lead to impairments and could have a material adverse effect on its earnings, cash flows and financial condition.

Future oil and gas production will depend on Shell's access to new proved reserves through exploration, negotiations with governments and other owners of proved reserves and acquisitions, as well as on developing and applying new technologies and recovery processes to existing fields. Failure to replace proved reserves could result in lower future production, potentially having a material adverse effect on Shell's earnings, cash flows and financial condition.

*The estimation of proved oil and gas reserves involves subjective judgements based on available information and the application of complex rules; therefore subsequent downward adjustments are possible.*

The estimation of proved oil and gas reserves involves subjective judgements and determinations based on available geological, technical, contractual and economic information. Estimates could change because of new information from production or drilling activities, or changes in economic factors, including changes in the price of oil or gas and changes in the regulatory policies of host governments or other events. Estimates could also be altered by acquisitions and divestments, new discoveries, and extensions of existing fields and mines, as well as the application of improved recovery techniques. Published proved oil and gas reserves estimates could also be subject to correction due to errors in the application of published rules and changes in guidance. Downward adjustments could indicate lower future production volumes and could lead to impairment of assets. This could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Rising climate change concerns have led and could lead to additional legal and/or regulatory measures which could result in project delays or cancellations, a decrease in demand for fossil fuels, potential litigation and additional compliance obligations.*

In December 2015, 195 nations adopted the Paris Agreement, which Shell fully supports. The Paris Agreement aims to limit increases in global temperatures to well below two degrees Celsius. As a result, Shell expects continued and increased attention to climate change from all sectors of society. This attention has led, and Shell expects it to continue to lead, to additional regulations designed to reduce greenhouse gas ("**GHG**") emissions. Shell expects that a growing share of its GHG emissions will be subject to regulation, resulting in increased compliance costs and operational restrictions. If Shell's GHG emissions rise alongside its ambitions to increase the scale of its business, its regulatory burden will increase proportionally.

Shell also expects that GHG regulation will focus more on suppressing demand for fossil fuels, either through taxes, fees, incentives to promote the sale of electric vehicles or even through the future prohibition of sales of new diesel or gasoline vehicles. This could result in lower revenue and, in the long term, potential impairment of certain assets. Additionally, some groups are pressuring certain investors to divest their investments in fossil fuel companies. If this were to continue, it could have a material adverse effect on the price of Shell's securities and Shell's ability to access equity capital markets. The World Bank has also announced plans to stop financing upstream oil and gas projects from 2019. Similarly, according to press reports, other financial institutions also appear to be considering limiting their exposure to certain fossil fuel projects. Accordingly, Shell's ability to use financing for future projects may be adversely impacted. This could also adversely impact Shell's potential partners' ability to finance their portion of costs, either through equity or debt.

Further, in some countries, governments and regulators have filed lawsuits seeking to hold fossil fuel companies liable for costs associated with climate change. While Shell believes these lawsuits to be without merit, losing any of these lawsuits could have a material adverse effect on its earnings, cash flows and financial condition.

If Shell is unable to find economically viable, as well as publicly acceptable, solutions that reduce its GHG emissions and/or GHG intensity for new and existing projects or for the products Shell sells, Shell could experience additional costs or financial penalties, delayed or cancelled projects, and/or reduced production and reduced demand for hydrocarbons, which could have a material adverse effect on its earnings, cash flows and financial condition.

*Shell's operations expose it to social instability, criminality, civil unrest, terrorism, piracy, cyber-disruption, acts of war and risks of pandemic diseases that could have a material adverse effect on its business.*

As seen in recent years in Nigeria, North Africa, the Middle East, South America and South-East Asia, social and civil unrest, both in the countries in which Shell operates and elsewhere, can and do affect Shell. Such potential developments that could have a material adverse effect on Shell's earnings, cash flows and financial condition include: acts of political or economic terrorism; acts of maritime piracy; cyber-espionage or disruptive cyber-attacks; conflicts including war and civil unrest (including disruptions by non-governmental and political organisations); and local security concerns that threaten the safe operation of Shell's facilities, transport of its products and the well-being of its people. Pandemic diseases can also affect Shell's operations directly and indirectly. If such risks materialise, they could result in injuries, loss of life, environmental harm and disruption to business activities, which in turn could have a material adverse effect on its earnings, cash flows and financial condition.

*Shell operates in more than 70 countries that have differing degrees of political, legal and fiscal stability. This exposes Shell to a wide range of political developments that could result in changes to contractual terms, laws and regulations. In addition, Shell and its joint arrangements and associates face the risk of litigation and disputes worldwide.*

Developments in politics, laws and regulations can and do affect Shell's operations. Potential impacts include: forced divestment of assets; expropriation of property; cancellation or forced renegotiation of contract rights; additional taxes including windfall taxes, restrictions on deductions and retroactive tax claims; antitrust claims;

changes to trade compliance regulations; price controls; local content requirements; foreign exchange controls; changes to environmental regulations; changes to regulatory interpretations and enforcement; and changes to disclosure requirements. Any of these, individually or in aggregate, could have a material adverse effect on Shell's earnings, cash flows and financial condition.

From time to time, social and political factors play a role in unprecedented and unanticipated judicial outcomes that could adversely affect Shell. Non-compliance with policies and regulations could result in regulatory investigations, litigation and, ultimately, sanctions. Certain governments and regulatory bodies have, in Shell's opinion, exceeded their constitutional authority by: attempting unilaterally to amend or cancel existing agreements or arrangements; failing to honour existing contractual commitments; and seeking to adjudicate disputes between private litigants. Additionally, certain governments have adopted laws and regulations that could potentially force Shell to violate other countries' laws and regulations, therefore potentially subjecting Shell to both criminal and civil sanctions. Such developments and outcomes could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*The nature of Shell's operations exposes Shell, and the communities in which Shell works, to a wide range of health, safety, security and environment risks.*

The health, safety, security and environmental ("HSSE") risks to which Shell, and the communities in which Shell works, are potentially exposed cover a wide spectrum, given the geographic range, operational diversity and technical complexity of Shell's operations. These risks include the effects of natural disasters (including weather events), earthquakes, social unrest, personal health and safety lapses, and crime. If a major HSSE risk materialises, such as an explosion or hydrocarbon spill, this could result in injuries, loss of life, environmental harm, disruption of business activities, and loss or suspension of Shell's licence to operate or ability to bid on mineral rights. Accordingly, this would have a material adverse effect on Shell's earnings, cash flows and financial condition.

Shell's operations are subject to extensive HSSE regulatory requirements that often change and are likely to become more stringent over time. Operators could be asked to adjust their future production plans, as the government of the Netherlands has done, affecting production and costs. Shell could incur significant additional costs in the future due to compliance with HSSE requirements or as a result of violations of, or liabilities under, laws and regulations, such as fines, penalties, clean-up costs and third-party claims. Therefore, HSSE risks, should they materialise, could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*A further erosion of the business and operating environment in Nigeria could have a material adverse effect on Shell.*

In its Nigerian operations, Shell faces various risks and adverse conditions. These include: security issues surrounding the safety of Shell's people, host communities and operations; sabotage and theft; Shell's ability to enforce existing contractual rights; litigation; limited infrastructure; potential legislation that could increase Shell's taxes or costs of operations; the effect of lower oil and gas prices on the government budget; and regional instability created by militant activities. Any of these risks or adverse conditions could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Production from the Groningen field in the Netherlands causes earthquakes that affect local communities.*

Shell and ExxonMobil are 50:50 shareholders in Nederlandse Aardolie Maatschappij B.V. ("NAM"). An important part of NAM's gas production comes from the onshore Groningen gas field, in which EBN, a Dutch government entity, has a 40 per cent. interest and NAM a 60 per cent. interest. Since 1995, production from the Groningen field has caused earthquakes. Some of these earthquakes have caused damage to houses and other structures in the region, resulting in complaints and lawsuits from the local community. Following the Dutch cabinet's decision to reduce NAM's production from the Groningen field to zero by 2030, NAM's shareholders and the Dutch State signed a Heads of Agreement in June 2018. This agreement supports the ramp-down of production from the Groningen field, includes measures to ensure the financial robustness of NAM, and determines the split of legal responsibilities between the Dutch government and the Groningen field partners. Shell's proved reserves are expected to be reduced by an estimated 0.5 to 0.65 billion boe in 2018 as a result.

Additional earthquakes, lawsuits and any acceleration of the current plan to cease production from the Groningen field by 2030 could have further adverse effects on NAM and therefore could impact Shell's earnings, cash flows and financial condition.

*Shell's future performance depends on the successful development and deployment of new technologies and new products.*

Technology and innovation are essential to Shell's efforts to meet the world's energy demands in a competitive way. If Shell does not develop the right technology and products, does not have access to such technology and products or does not deploy these effectively, there could be a material adverse effect on the delivery of Shell's strategy and its licence to operate. Shell operates in environments where advanced technologies are utilised. While Shell takes measures to ensure that such technologies and products are safe for the environment and public health based on today's knowledge, there is always the possibility of unknown or unforeseeable technological failures or environmental and health effects that could harm Shell's reputation and licence to operate or expose it to litigation or sanctions. The associated costs of new technology are sometimes underestimated, or delays occur. If Shell is unable to develop the right technologies and products in a timely and cost-effective manner, or if Shell develops technologies and products that adversely impact the environment or health of individuals, there could be a material adverse effect on Shell's earnings, cash flows and financial condition.

*Shell is exposed to treasury and trading risks, including liquidity risk, interest rate risk, foreign exchange risk, commodity price risk and credit risk. Shell is affected by the global macroeconomic environment as well as financial and commodity market conditions.*

Shell's subsidiaries, joint arrangements and associates are subject to differing economic and financial market conditions around the world. Political or economic instability affects such markets.

Shell uses debt instruments, such as bonds and commercial paper, to raise significant amounts of capital. Should Shell's access to debt markets become more difficult, the potential impact on its liquidity could have a material adverse effect on its operations. Shell's financing costs could also be affected by interest rate fluctuations or any credit rating deterioration.

Shell is exposed to changes in currency values and to exchange controls as a result of its substantial international operations. Shell's reporting currency is the U.S. dollar. However, to a material extent, Shell holds assets and is exposed to liabilities in other currencies. Commodity trading is an important component of Shell's Upstream, Integrated Gas and Downstream businesses and is integrated with Shell's supply business. While Shell undertakes some foreign exchange and commodity hedging, it does not do so for all of its activities. Furthermore, even where hedging is in place, it may not function as expected.

Shell is exposed to credit risk; Shell's counterparties could fail or could be unable to meet their payment and/or performance obligations under contractual arrangements. Although Shell does not have significant direct exposure to sovereign debt, it is possible that Shell's partners and customers may have exposure which could impair their ability to meet their obligations. In addition, Shell's pension plans may invest in government bonds, and therefore could be affected by a sovereign debt downgrade or other default.

If any of the risks set out above materialise, they could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Shell has substantial pension commitments, the funding of which is subject to capital market risks.*

Liabilities associated with defined benefit pension plans can be significant, as can the cash funding requirement of such plans; both depend on various assumptions. Volatility in capital markets or government policies, and the resulting consequences for investment performance and interest rates, as well as changes in assumptions for mortality, retirement age or pensionable remuneration at retirement, could result in significant changes to the funding level of future liabilities. Shell operates a number of defined benefit pension plans and, in case of a shortfall, Shell could be required to make substantial cash contributions (depending on the applicable local regulations) resulting in a material adverse effect on Shell's earnings, cash flows and financial condition.

*Shell mainly self-insures its risk exposure. Shell could incur significant losses from different types of risks that are not covered by insurance from third-party insurers.*

Shell insurance subsidiaries provide hazard insurance coverage to other Shell entities and only reinsure a portion of their risk exposures. Such reinsurance would not provide any material coverage in the event of a large-scale safety and environmental incident. Similarly, in the event of a material safety and environmental incident, there would be no material proceeds available from third-party insurance companies to meet Shell's obligations. Therefore, Shell may incur significant losses from different types of risks that are not covered by insurance from third-party insurers, potentially resulting in a material adverse effect on Shell's earnings, cash flows and financial condition.

*An erosion of Shell's business reputation could have a material adverse effect on its brand, its ability to secure new resources and its licence to operate.*

Shell's reputation is an important asset. The Shell General Business Principles (the "**Principles**") govern how Shell and its individual companies conduct their affairs, and the Shell Code of Conduct (the "**Code**") instructs employees and contract staff on how to behave in line with the Principles. Shell's challenge is to ensure that all employees and contract staff, more than 100,000 in total, comply with the Principles and the Code. Real or perceived failures of governance or regulatory compliance could harm Shell's reputation. This could impact Shell's licence to operate, damage its brand, reduce consumer demand for its branded products, harm its ability to secure new resources and contracts, and limit its ability to access the capital markets. Many other factors, including the materialisation of the risks discussed in several of the other risk factors, could impact Shell's reputation and could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Many of Shell's major projects and operations are conducted in joint arrangements or associates. This could reduce Shell's degree of control, as well as its ability to identify and manage risks.*

In cases where Shell is not the operator, it has limited influence over, and control of, the behaviour, performance and costs of operation of such joint arrangements or associates. Despite not having control, Shell could still be exposed to the risks associated with these operations, including reputational, litigation (where joint and several liability could apply) and government sanction risks. For example, Shell's partners or members of a joint arrangement or an associate (particularly local partners in developing countries) may not be able to meet their financial or other obligations to the projects, threatening the viability of a given project. Where Shell is the operator of a joint arrangement, the other partner(s) could still be able to veto or block certain decisions, which could be to Shell's overall detriment. Accordingly, where Shell has limited influence, Shell is exposed to operational risks that could have a material adverse effect on its earnings, cash flows and financial condition.

*Shell relies heavily on information technology systems for its operations.*

The operation of many of Shell's business processes depends on reliable information technology ("**IT**") systems. Shell's IT systems are increasingly concentrated in terms of geography, number of systems, and key contractors supporting the delivery of IT services. Shell, like many other multinational companies, is the target of attempts to gain unauthorised access to its IT systems and data through various channels, including more sophisticated and coordinated attempts often referred to as advanced persistent threats. While Shell's IT systems have been breached in the past, Shell believes that, to date, no significant breach has occurred. Timely detection is becoming increasingly complex but Shell seeks to detect and investigate all such security incidents, aiming to prevent their recurrence. Disruption of critical IT services, or breaches of information security, could harm Shell's reputation and have a material adverse effect on its earnings and financial condition.

*Violations of antitrust and competition laws carry fines and expose Shell and/or its employees to criminal sanctions and civil suits.*

Antitrust and competition laws apply to Shell and its joint ventures and associates in the vast majority of countries in which Shell does business. Shell and its joint ventures and associates have been fined for violations of antitrust and competition laws. These include a number of fines in the past by the European Commission Directorate-General for Competition ("**DG COMP**"). Due to the DG COMP's fining guidelines, any future conviction of Shell or any of its joint ventures or associates for violation of European Union competition law could result in significantly larger fines and have a material adverse effect on Shell. Violation of antitrust laws is

a criminal offence in many countries, and individuals can be imprisoned or fined. Furthermore, it is now common for persons or corporations allegedly injured by antitrust violations to sue for damages. Any violation of these laws or harm to Shell's reputation could have a material adverse effect on its earnings, cash flows and financial condition.

*Violations of anti-bribery, anti-corruption and anti-money laundering laws carry fines and expose Shell and/or its employees to criminal sanctions and civil suits and ancillary consequences (such as debarment and the revocation of licences).*

Anti-bribery, anti-corruption and anti-money laundering laws apply to Shell, its joint ventures and associates in all countries in which Shell does business. Shell and its joint ventures and associates in the past have been fined for violations of the US Foreign Corrupt Practices Act. Any future violation of anti-bribery, anti-corruption or anti-money laundering laws could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Violations of data protection laws carry fines and expose Shell and/or its employees to criminal sanctions and civil suits.*

Data protection laws apply to Shell and its joint ventures and associates in the vast majority of countries in which Shell does business. Over 100 countries have data protection laws and regulations. Additionally, the EU General Data Protection Regulation ("**GDPR**"), which became applicable from May 2018, increases penalties up to a maximum of 4 per cent. of global annual turnover for breach of the regulation. The GDPR requires mandatory breach notification, the standard for which is also followed outside the European Union (particularly in Asia). Non-compliance with data protection laws could expose Shell to regulatory investigations, which could result in fines and penalties. In addition to imposing fines, regulators may also issue orders to stop processing personal data, which could disrupt operations. Shell could also be subject to litigation from persons or corporations allegedly affected by data protection violations. Violation of data protection laws is a criminal offence in some countries, and individuals can be imprisoned or fined. Any violation of these laws or harm to Shell's reputation could have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Violations of trade compliance laws and regulations, including sanctions, carry fines and expose Shell and its employees to criminal sanctions and civil suits.*

Shell uses "**trade compliance**" as an umbrella term for various national and international laws designed to regulate the movement of items across national boundaries and restrict or prohibit trade and other dealings with certain parties. The number and breadth of such laws continue to expand. For example, the European Union and the USA continue to impose restrictions and prohibitions on certain transactions involving Syria. In addition, the USA continues to have comprehensive sanctions in place against Iran, while the European Union and other nations continue to maintain targeted sanctions. Additional restrictions and controls directed at defined oil and gas activities in Russia, which were imposed by the European Union and the USA in 2014, are still in force. Further restrictions regarding Russia were introduced by the USA in 2017. The USA also introduced sectorial sanctions against Venezuela in 2017 targeting the government of Venezuela and the oil industry. In addition to the significant trade-control programmes administered by the European Union and the USA, many other nations are also adopting such programmes. This expansion of sanctions, including the frequent additions of prohibited parties, combined with the number of markets in which Shell operates and the large number of transactions Shell processes, makes ensuring compliance with all sanctions complex and at times challenging. Any violation of one or more of these regimes could lead to loss of import or export privileges, significant penalties on or prosecution of Shell or its employees, and could harm Shell's reputation and have a material adverse effect on Shell's earnings, cash flows and financial condition.

*Royal Dutch Shell's Articles of Association determine the jurisdiction for shareholder disputes. This could limit shareholder remedies.*

Royal Dutch Shell's Articles of Association generally require that all disputes between its shareholders in such capacity and Royal Dutch Shell or its subsidiaries (or its Directors or former Directors), or between Royal Dutch Shell and its Directors or former Directors, be exclusively resolved by arbitration in The Hague, The Netherlands, under the Rules of Arbitration of the International Chamber of Commerce. Royal Dutch Shell's

Articles of Association also provide that, if this provision is to be determined invalid or unenforceable for any reason, the dispute could only be brought before the courts of England and Wales. Accordingly, the ability of shareholders to obtain monetary or other relief, including in respect of securities law claims, could be determined in accordance with these provisions.

#### *Dutch taxation*

Under current law, payments under the Notes are not subject to withholding tax in the Netherlands. In the 2017 Dutch Coalition Agreement dated 10 October 2017 (Regeerakkoord 2017 “Vertrouwen in de toekomst”), it was announced that the Netherlands will introduce a new withholding tax on interest paid to low-taxed jurisdictions and in abusive situations. In a letter to the Dutch parliament dated 23 February 2018, the Under Secretary of Finance announced that it is intended for the withholding tax on interest to be effective from 2021 and that a proposal of law to that effect will be submitted to the Dutch parliament in 2019. The letter mentions that the withholding tax will only be applicable to interest paid within a group to entities that are resident in a jurisdiction with a low statutory rate or a jurisdiction that is included in the EU list of non-cooperative jurisdictions. Because the exact scope of the legislation to be proposed is not yet known, it cannot entirely be excluded that payments under the Notes will become subject to Dutch withholding tax. Should payments under the Note become subject to Dutch withholding tax under the legislation to be proposed, the relevant Issuer may be required to pay additional amounts (as set out in Condition 8 of the Terms and Conditions of the Notes), in which case the relevant Issuer will be entitled to early redemption of the Notes (as set out in Condition 4 of the Terms and Conditions of the Notes).

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

#### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes which bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any

conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

*The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks"*

Reference rates and indices, including interest rate benchmarks, such as LIBOR and EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have an adverse effect on any Notes referencing, or linked to, such Benchmark

In 2012, a review, undertaken at the request of the UK government, on the setting and usage of LIBOR, resulted in an initiative to devise new methodologies for determining representative inter-bank lending rates and, ultimately, so-called 'risk free' rates that may be used as an alternative to LIBOR in certain situations.

Following this review, the International Organisation of Securities Commissions ("**IOSCO**") created a task force to draft principles to enhance the integrity, reliability and oversight of Benchmarks generally. This resulted in publication by the Board of IOSCO, in July 2013, of nineteen principles which are to apply to Benchmarks used in financial markets (the "**IOSCO Principles**"). The IOSCO Principles provide an overarching framework for Benchmarks used in financial markets and are intended to promote the reliability of Benchmark determinations and address Benchmark governance, quality and accountability mechanisms. The Financial Stability Board ("**FSB**") subsequently undertook a review of major interest rate Benchmarks and published a report in 2014, outlining its recommendations for change, to be implemented in accordance with the IOSCO Principles. In addition, in June 2016, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**BMR**") came into force. The BMR implements a number of the IOSCO Principles and the majority of its provisions apply from 1 January 2018.

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the Financial Conduct Authority (the "**FCA**"), questioned the sustainability of LIBOR in its current form, and advocated a transition away from reliance on LIBOR to alternative reference rates. He noted that currently there is wide support among the LIBOR panel banks for voluntarily sustaining LIBOR until the end of 2021, facilitating this transition. At the end of this period, it is the FCA's intention that it will not be necessary to sustain LIBOR through its influence or legal powers by persuading, or obliging banks to submit to LIBOR. Therefore, there is a risk that LIBOR in its current form will be discontinued.

Any changes to the administration of LIBOR or the emergence of alternatives to LIBOR as a result of these reforms, may cause LIBOR to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of LIBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to LIBOR. The development of alternatives to LIBOR may result in Notes linked to or referencing LIBOR performing differently than would otherwise have been the case if such alternatives to



LIBOR had not developed. Any such consequence could have an adverse effect on the value of, and return on, any Notes referencing or linked to LIBOR.

In the event that LIBOR or any other Benchmark is permanently discontinued, the Issuer may, after appointing and consulting with an Independent Adviser, determine a Successor Rate or Alternative Rate to be used in place of LIBOR or the relevant Benchmark where LIBOR or any other Benchmark has been selected as the Reference Rate to determine the Rate of Interest. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest may result in Notes linked to or referencing LIBOR or the relevant Benchmark performing differently (including paying a lower Rate of Interest) than they would do if LIBOR or the relevant Benchmark were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for LIBOR or the relevant Benchmark is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread may be determined by the Issuer to be applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as is practicable, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of LIBOR or the relevant Benchmark with the Successor Rate or the Alternative Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders and Couponholders. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

In the event of a permanent discontinuation of LIBOR or any other Benchmark, the Issuer may be unable to determine a Successor Rate or Alternative Rate. In these circumstances, where LIBOR or any other Benchmark has been discontinued, the Rate of Interest will revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before LIBOR or the relevant Benchmark was discontinued and such Rate of Interest will continue to apply until maturity.

In addition, if LIBOR or any other Benchmark is discontinued permanently, and the Issuer, for any reason, is unable to determine any of the Successor Rate or Alternative Rate, the Rate of Interest may revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before LIBOR or the relevant Benchmark was discontinued, and such Rate of Interest will continue to apply until maturity.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the BMR or any other international reforms, particularly in the United Kingdom, in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***Notes denominated in Renminbi are subject to additional risks***

Set out below is a description of the principal risks which may be relevant to an investor in Notes denominated in Renminbi:

*Renminbi is not completely freely convertible; there are still significant restrictions on remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes*

Renminbi is not completely freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies despite significant reduction over the years by the PRC government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to liberalise control over cross border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under Renminbi Notes.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the relevant Issuer's ability to source Renminbi outside the PRC to service such Renminbi Notes*

As a result of the restrictions imposed by the PRC Government on cross border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. While the People's Bank of China ("**PBOC**") has entered into agreements on the clearing of Renminbi business (the "**Settlement Agreements**") with financial institutions in a number of financial centres and cities (the "**RMB Clearing Banks**"), including but not limited to Hong Kong, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the relevant Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described in the terms and conditions applicable to Renminbi Notes, the relevant Issuer can make payments in U.S. dollars and other currencies as set out in the terms and conditions of the Notes.

*Investment in Renminbi Notes is subject to exchange rate risks*

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the midpoint against the U.S. Dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. All payments of interest and principal with respect to Renminbi Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in the terms and conditions of the Notes), the relevant Issuer is unable, or it is impractical for it, to pay interest or principal in Renminbi, the terms and conditions of the Notes allow the relevant Issuer to make payment in U.S. dollars or other foreign currencies at the prevailing spot rate of exchange, all as provided in more detail in the terms and conditions of the Notes. As a result, the value of these

Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a holder's investment in U.S. dollar or other foreign currency terms will decline.

*An investment in Renminbi Notes is subject to interest rate risks*

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

*Payments in respect of Renminbi Notes will only be made to investors in the manner specified in the terms and conditions of the relevant Notes.*

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. All Renminbi payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by Global Notes held with the common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures, or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than described in the terms and conditions of the Notes, the relevant Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

*There may be PRC tax consequences with respect to investment in the Renminbi Notes*

In considering whether to invest in the Renminbi Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Noteholder's investment in the Renminbi Notes may be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.

### **Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

#### *Modification, waivers and substitution*

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer or (iii) the substitution of another company in place of the Guarantor, in the circumstances described in Condition 16 of the terms and conditions of the Notes.

*The right to receive payments on the Notes issued by Royal Dutch Shell or under the Guarantee is structurally subordinated to the other liabilities of its subsidiaries*

Royal Dutch Shell is organised as a holding company, and substantially all of its operations are carried on through subsidiaries of Royal Dutch Shell. Royal Dutch Shell's ability to meet its financial obligations is dependent upon the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances and other payments. Moreover, Shell Finance is a special-purpose financing vehicle that was formed for the purpose of raising debt for the Shell Group. Shell

Finance conducts no business or revenue-generating operations of its own. Shell Finance has no subsidiaries and will rely on payments (including principal and interest) from Royal Dutch Shell and other subsidiaries in the Shell Group to whom it has on-lent the proceeds of any debt securities issued by it in order to make payments on securities issued by it.

Royal Dutch Shell's subsidiaries are not guarantors of the Notes that may be issued under the Programme. Claims of the creditors of Royal Dutch Shell's subsidiaries have priority as to the assets of such subsidiaries over the claims of Royal Dutch Shell. Consequently, in the event of insolvency of Royal Dutch Shell, the claims of holders of debt securities guaranteed or issued by Royal Dutch Shell would be structurally subordinated to the prior claims of the creditors of subsidiaries of Royal Dutch Shell.

#### *The Notes are unsecured*

The Notes issued under the Programme will be unsecured. If Royal Dutch Shell or Shell Finance default on the Notes or Royal Dutch Shell defaults on the Guarantee, or in the event of bankruptcy, liquidation or reorganisation, then, to the extent that Royal Dutch Shell or Shell Finance have granted security over their assets, the assets that secure these debts will be used to satisfy the obligations under that secured debt before Royal Dutch Shell or Shell Finance could make payment on the Notes or the Guarantee, as applicable. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness.

#### *Change of law*

The conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

#### *Notes where denominations involve integral multiples: Definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### **Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

### *Exchange rate risks and exchange controls*

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### *Interest rate risks*

Interest rate risk occurs when the interest rate payable on assets and liabilities for a fixed period do not coincide. Investments in Notes with fixed interest involve a risk that subsequent changes in market interest rates may adversely affect the value of fixed interest Notes. Investments in Notes with floating interest involve a risk of adverse changes in the interest rate payable on the Notes.

### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by non-European Union credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

## Overview of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

Words and expressions defined in "*Terms and Conditions of the Notes*" shall have the same meanings in this overview.

**The Issuers:** Shell International Finance B.V.

**Issuer Legal Entity Identifier:** 213800ITMMKU4Z7I4F78

Shell Finance has its corporate seat in The Hague, The Netherlands. Its registered office is at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111.

Royal Dutch Shell plc

**Issuer Legal Entity Identifier:** 21380068P1DRH MJ8KU70

Royal Dutch Shell's registered office is at Shell Centre, London SE1 7NA, UK and its headquarters are at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111. Royal Dutch Shell is considered a resident of The Netherlands for Dutch and UK tax purposes.

Shell is one of the world's largest independent oil and gas companies in terms of market capitalisation, operating cash flow and oil and gas production.

Shell's Upstream organisation consisted of two businesses: Upstream Americas covering North and South America, and Upstream International covering the rest of the world. In 2016, the Upstream International and Upstream Americas businesses were reorganised into Integrated Gas and Upstream.

The Downstream organisation consists of the refining and marketing for oil products and chemical activities. It also includes the trading of hydrocarbons and other energy-related products, Shell's interests in alternative energy (including biofuels but excluding Wind, which is part of Upstream) and CO<sub>2</sub> management.

Projects & Technology combines all of Shell's major project delivery, technical services and technology capability covering both Upstream and Downstream. It also oversees Shell's safety and environmental performance, and contracting and procurement.

**The Guarantor (in the case of Notes issued by Shell Finance):** Royal Dutch Shell plc

**Risk Factors:** There are certain factors that may affect an Issuer's ability to fulfil its obligations under the Notes issued under the Programme and/or the Guarantor's ability to fulfil its obligations under the Guarantee. These include (a) price fluctuations in crude oil, natural gas, oil products and chemicals; (b) exposure to changes in economic and financial market conditions; (c) competition, particularly from state-run entities; (d) dependence on delivery of large capital projects and on access to new proved reserves; (e) difficulties in estimating reserves; (f) climate change concerns and additional regulatory measures; (g) exposure to social instability, terrorism,

cyber-disruption and acts of war or piracy; (h) reliance on information technology systems; (i) exposure to political, legal and fiscal instability in the numerous countries in which Shell operates; (j) exposure to a wide range of health, safety, security and environmental risks; (k) risks in Shell's Nigerian operations, including security issues, ability to enforce contractual rights, limited infrastructure and the impact of potential new legislation relating to the petroleum industry in Nigeria; (l) successful development and deployment of new technologies; (m) capital market risks, particularly with regard to Shell's pension commitments; (n) reputational risk; (o) risks relating to the use of joint ventures and associated companies to conduct certain major projects and operations; and (p) potential violations of antitrust, data protection and anticorruption laws. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see "*Risk Factors*").

**Arranger:**

BNP Paribas

**Dealers:**

Australia and New Zealand Banking Group Limited

Banco Santander, S.A.

Barclays Bank PLC

BNP Paribas

CIBC World Markets plc

Citigroup Global Markets Limited

Crédit Agricole Corporate and Investment Bank

Credit Suisse Securities (Europe) Limited

Deutsche Bank AG, London Branch

Goldman Sachs International

HSBC Bank plc

J.P. Morgan Securities plc

Lloyds Bank Corporate Markets plc

Mizuho International plc

Morgan Stanley & Co. International plc

MUFG Securities EMEA plc

NatWest Markets Plc

RBC Europe Limited

SMBC Nikko Capital Markets Limited

Société Générale

Standard Chartered Bank

UBS Limited

Wells Fargo Securities International Limited

and any other dealer appointed from time to time either in respect of a single Tranche or in respect of the whole Programme.

**Currencies:**

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which the Notes are denominated.

Swiss Franc Domestic Notes and payments in respect of the Swiss Franc Domestic Notes will be denominated in Swiss Francs only.

**Trustee:** Deutsche Trustee Company Limited

**Agent:** Deutsche Bank AG, London Branch

**Programme Amount:** The Programme has no maximum size.

**Availability:** The Programme will be continuously available.

**Maturity of the Notes:** Any maturity subject to compliance with all relevant laws, regulations and directives.

Unless otherwise permitted by then current laws and regulations, Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

**Denominations:** Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer, save that the minimum denomination of each Note (other than an Exempt Note) admitted to trading on a regulated market in the EEA or offered to the public in a Member State in circumstances which require the publication of a prospectus under the Prospectus Directive is intended to be €100,000 (or, if the Notes are denominated in a currency other than euro, the near equivalent in such other currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency as set out in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes).

Notes having a maturity of less than one year may be subject to restrictions on their denomination, see "*Maturity of the Notes*" above.

**Method of Issue:** Notes may be issued on a syndicated or non-syndicated basis. Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). Notes may be issued in Tranches on a continuous basis. Further Notes may be issued as part of an existing Series.

**Form of Notes:** Notes shall be issued in bearer form only.

Each Tranche of Notes will be represented upon issue by either a Temporary Global Note or, if so specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), a Permanent Global Note. In each case, the Temporary Global Note or the Permanent Global Note, as the case may be, will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg on the issue date with a common safekeeper (if the Global Note(s) are intended to be issued in NGN form, as stated in the applicable Final Terms or Pricing Supplement, in the case of Exempt Notes) or a common depositary (if the Global Note(s) are not intended to be issued in NGN form), in each case on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer.



	Interests in a Temporary Global Note will only be exchangeable for interests in a Permanent Global Note or, if so stated in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes), for Definitive Notes on and after the Exchange Date (as defined on page 3), upon certification as to non-U.S. beneficial ownership. Interests in a Permanent Global Note will only be exchangeable for Definitive Notes in accordance with its terms.
<b>Issue Price:</b>	Notes may be issued at their principal amount or at a discount or premium to their principal amount.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) and at maturity.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, EURIBOR, LIBID or LIMEAN. The margin (if any) relating to an issue of Floating Rate Notes will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both. Interest periods will be specified in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes).
<b>Benchmark Discontinuation</b>	If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer may (subject to the Conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and in either case, an Adjustment Spread if any and any Benchmark Amendments.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
<b>Exempt Notes:</b>	The Issuer may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.
<b>Optional Redemption:</b>	The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
<b>Status of the Notes and the Guarantee in respect of them:</b>	The Notes and the Guarantee will be direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and the Guarantor (in the case of Notes issued by Shell Finance), respectively, and will rank <i>pari passu</i> and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the relevant Issuer and the Guarantor (in the case of Notes issued by Shell Finance), respectively, present and future, save for such obligations as may be preferred by mandatory provisions of law.
<b>Negative Pledge:</b>	The Notes contain no negative pledge.
<b>Cross Default:</b>	The Notes contain no cross default.
<b>Rating:</b>	Notes issued under the Programme may be rated or unrated. The rating of certain

Series of Notes to be issued under the Programme may be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**Early Redemption:** Except as provided in "Optional Redemption" above, Notes will be redeemable prior to maturity (i) at the option of the relevant Issuer only for tax reasons or (ii) following an Event of Default pursuant to Condition 9.

**Withholding Tax:** All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of, in the case of payments by Shell Finance, The Netherlands or, in the case of payments by Royal Dutch Shell, the United Kingdom or The Netherlands, in each case, subject to customary exceptions, all as described in "*Terms and Conditions of the Notes — Taxation*".

**Governing Law:** English.

**Selling Restrictions:** The Notes are subject to restrictions on their offering, sale and delivery both generally and specifically in the United States of America, the United Kingdom, The Netherlands, Japan, Hong Kong, the People's Republic of China, France, Belgium and the EEA. These restrictions are described under "*Subscription and Sale*" below.

**Listing and admission to trading:** Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Exempt Notes, including Swiss Franc Domestic Notes, will not be listed or subject to an application for listing on an exchange located outside Switzerland.

## Documents Incorporated by Reference

The following documents which have previously been published or are published simultaneously with this Information Memorandum and have been approved by the Financial Conduct Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (i) the Second Quarter 2018 Unaudited Condensed Consolidated Interim Financial Statements of Royal Dutch Shell published on 26 July 2018, including the information set out at the following pages in particular:

Consolidated Statement of Income	Page 8
Consolidated Statement of Comprehensive Income	Page 8
Condensed Consolidated Balance Sheet	Page 9
Consolidated Statement of Changes in Equity	Page 10
Condensed Consolidated Statement of Cash Flows	Page 11
Notes to the Unaudited Condensed Consolidated Interim Financial Statements	Pages 12 to 21

- (ii) Annual Report on Form 20-F filed by Royal Dutch Shell for the year ended 31 December 2017, as filed with the United States Securities and Exchange Commission (the "SEC") on 15 March 2018, including the information set out at the following pages in particular:

Report of Independent Registered Public Accounting Firm	Pages 135 to 136
Consolidated Statement of Income	Page 138
Consolidated Statement of Comprehensive Income	Page 138
Consolidated Balance Sheet	Page 139
Consolidated Statement of Changes in Equity	Page 140
Consolidated Statement of Cash Flows	Page 141
Notes to the Consolidated Financial Statements	Pages 142 to 178

- (iii) Annual Report on Form 20-F filed by Royal Dutch Shell for the year ended 31 December 2016, as filed with the SEC on 9 March 2017, including the information set out at the following pages in particular:

Report of Independent Registered Public Accounting Firm	Pages 115 to 116
Consolidated Statement of Income	Page 118
Consolidated Statement of Comprehensive Income	Page 118
Consolidated Balance Sheet	Page 119
Consolidated Statement of Changes in Equity	Page 120
Consolidated Statement of Cash Flows	Page 121
Notes to the Consolidated Financial Statements	Pages 122 to 152

- (iv) the audited non-consolidated financial statements of Shell Finance in respect of the year ended 31 December 2017, including the information set out at the following pages in particular:

Balance Sheet	Page 6
Profit and Loss Account	Page 7
Cash Flow Statement	Page 8
Notes to the Financial Statements	Pages 9 to 25
Independent Auditor's Report	Pages 30 to 39

- (v) the audited non-consolidated financial statements of Shell Finance in respect of the year ended 31 December 2016, including the information set out at the following pages in particular:

Balance Sheet	Page 7
Profit and Loss Account	Page 8
Cash Flow Statement	Page 9
Notes to the Financial Statements	Pages 10 to 24
Independent Auditor's Report	Pages 27 to 31

- (vi) the section "**Terms and Conditions of the Notes**" from each of the previous Information Memoranda relating to the Programme as follows: (a) Information Memorandum dated 15 August 2013 (pages 26-45 thereof), (b) Information Memorandum dated 13 August 2014 (pages 27-46 thereof), (c) Information Memorandum dated 11 August 2015 (pages 48-54 thereof), (d) Information Memorandum dated 9 August 2016 (pages 29-49 thereof) and (e) Information Memorandum dated 8 August 2017 (pages 28-48 thereof), save that (i) any statement contained herein or in any of the documents incorporated by reference shall be deemed to be modified or superseded for the purposes of this Information Memorandum to the extent that a statement contained in any documents subsequently incorporated by reference, by means of a supplement to this Information Memorandum approved by the UK Listing Authority, modifies or supersedes such statement and (ii) any documents which are incorporated by reference therein shall not constitute a part of this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum can be obtained, upon request and free of charge, from the registered office of each of the Obligors and will be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Information Memorandum shall not form part of this Information Memorandum. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Information Memorandum.

#### **Information Memorandum supplement**

The Obligors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement to this Information Memorandum or publish a new Information Memorandum for use in connection with any subsequent issue of Notes. The Obligors have undertaken to the Dealers in the Dealer Agreement that they will comply with Section 87 of the FSMA.

## Terms and Conditions of the Notes

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant listing authority and/or stock exchange (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached hereto or endorsed hereon.*

This Note is one of a Series (as defined below) of notes (the notes of such Series being hereinafter called the "**Notes**", which expression shall mean (i) in relation to Notes represented by a global note (a "**Global Note**"), units equal to each Specified Denomination in the Specified Currency, (ii) Notes in definitive form ("**Definitive Notes**") issued in exchange for a Temporary or Permanent Global Note and (iii) any Global Note issued as indicated in the Final Terms (as defined below), by either Shell International Finance B.V. ("**Shell Finance**") or Royal Dutch Shell plc ("**Royal Dutch Shell**") (the "**Issuer**") constituted by a Trust Deed dated 22 July 2005 (as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between Shell Finance, Royal Dutch Shell and Citicorp Trustee Company Limited, as trustee in relation to the Notes (the "**Trustee**", which expression shall include any successor trustee). If the Notes are issued by Shell Finance, they are guaranteed by Royal Dutch Shell (in such capacity, where applicable, the "**Guarantor**") pursuant to the terms of the Trust Deed and as described in Condition 2. References herein to the Guarantor and the Guarantee shall only be relevant where the Issuer is Shell Finance and such references shall be disregarded where the Issuer is Royal Dutch Shell.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (as modified and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 9 August 2016 made between Shell Finance, Royal Dutch Shell, Deutsche Bank AG, London Branch as issuing agent, principal paying agent and agent bank (the "**Agent**", which expression shall include any successor as agent), the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and the Trustee.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the "**Conditions**") or, if this Note is a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an "**Exempt Note**"), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the "**applicable Final Terms**" are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Conditions to applicable Final Terms shall be deemed to be a reference to "**applicable Pricing Supplement**" where relevant. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest-bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms as defined below) have interest coupons ("**Coupons**") and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference in these Terms and Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The Trustee acts for the benefit of the holders of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the

## Terms and Conditions of the Notes

Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed, the Agency Agreement and applicable Final Terms are available for viewing at the specified office of the Trustee, being at Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and at the specified office of each Paying Agent. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms. Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

### 1. Form, Denomination and Transfer

The Notes are in bearer form in the Specified Currency or Currencies and the Specified Denomination(s) and, in the case of Definitive Notes, are serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note or any appropriate combination thereof or any other type depending upon the Interest/Payment Basis shown in the applicable Final Terms.

If it is a Definitive Note, it is issued with Coupons and, if applicable, Talons attached, unless it is a Zero Coupon Note in which case references to interest (other than interest due after the Maturity Date), Coupons and Couponholders in these Terms and Conditions are not applicable.

Without prejudice to the provisions relating to Global Notes set out below, title to the Notes and the Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes. For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the

## Terms and Conditions of the Notes

Issuer, the Guarantor and the Trustee, solely in the bearer of the Global Note in accordance with and subject to its terms, or in the Trustee, in accordance with the Trust Deed (and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Any references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Trustee.

### 2. Status and Guarantee

- (a) *Status of Notes:* The Notes and Coupons (if any) relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, save for such obligations as may be preferred by mandatory provisions of law.
- (b) *Guarantee:* The payment of principal and interest in respect of the Notes and all other moneys by Shell Finance under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the "**Guarantee**"). The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank and will rank *pari passu* and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the Guarantor, present and future, save for such obligations as may be preferred by mandatory provisions of law.

### 3. Interest

- (a) *Interest on Fixed Rate Notes*
  - (i) Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount. If the Notes are in definitive form, except as provided above or in the applicable Final Terms, the amount of interest payable on each Fixed Interest Date in respect of the Fixed Interest Period ending on such date will amount to the Fixed Amount.

As used herein, "**Fixed Interest Period**" means the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.
  - (ii) Except in the case of Definitive Notes where a Fixed Amount, an Initial Broken Amount or a Final Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Fixed Rate of Interest to:
    - (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
    - (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount (as specified in the applicable Final Terms),

and, in each case, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises

## Terms and Conditions of the Notes

more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

In these Conditions:

**"Fixed Day Count Fraction"** means:

- (i) If **"Actual/Actual-ICMA"** is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **"Accrual Period"**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) If **"30/360"** is specified in the applicable Final Terms, the number of days in the period from and including the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360;
- (iii) If **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365; or
- (iv) Such other day count fraction as specified in the applicable Final Terms;

**"Determination Period"** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**"sub-unit"** means, with respect to any currency other than euro, the lowest amount of such currency that is available as lawful currency in the country of such currency and, with respect to euro, means one cent.

### (b) *Interest on Floating Rate Notes*

#### (i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (A) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or



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- (B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Terms and Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, "**Business Day**" means a day which is both:

- (I) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and any other place as is specified in the applicable Final Terms (each an "**Additional Business Centre**"); and
- (II) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), (2) in relation to any sum payable in euro, a day on which the TARGET2 System is operating, or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement for Renminbi payments in Hong Kong.

In these Conditions, the following expressions have the following meanings:

"**CNY**" and "**Renminbi**" each means the lawful currency of the People's Republic of China (the "**PRC**") which, for the purposes of these Conditions, excludes the Hong Kong Special

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Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan;

"**euro**" means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**Euro-zone**" means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty;

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System; and

"**Treaty**" means the Treaty establishing the European Community, as amended.

### (ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

#### (A) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fourth decimal place, 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page as determined by the Issuer and notified to the Calculation Agent) as at 11a.m. (London time, in the case of the London inter-bank offered rate ("**LIBOR**"), the London inter-bank bid rate ("**LIBID**") and the London inter-bank mean rate ("**LIMEAN**") or Brussels time, in the case of the Euro-zone interbank offered rate ("**EURIBOR**") on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

#### (B) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

For the purpose of this sub-paragraph (B), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent

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or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is the day specified in the applicable Final Terms.

(iii) *Minimum and/or Maximum Interest Rate*

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Calculation Agent, in the case of Floating Rate Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

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- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; or

- (vi) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

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"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(v) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, provided, however, that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(vi) *Notification of Rate of Interest and Interest Amounts*

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relative Interest Payment Date to be notified to the Trustee and any listing authority, stock exchange and/or quotation system by which the relevant Floating Rate Notes are for the time being admitted to listing, trading and/or quotation and to be published in accordance with Condition 15 as soon as practicable after their determination but in no event later than the fourth Business Day (as defined in Condition 3(b)(i) above) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Noteholders in accordance with Condition 15.

(vii) *Determination or calculation by Trustee*

If for any reason at any time after the Issue Date, the Calculation Agent defaults in its obligation to determine the Rate of Interest in accordance with sub-paragraph (ii) or in its obligation to calculate any Interest Amount in accordance with sub-paragraph (iv) above, the Trustee (or an agent on behalf of the Trustee, at the expense of the Issuer) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 3, but subject always to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms), it shall deem fair and reasonable in all circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(viii) *Certificates to be final*

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All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b), whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Agent, Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

(c) *Interest accrual*

Each Note (or, in the case of redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for redemption thereof unless payment of principal is improperly withheld or refused in which event interest will continue to accrue as provided in the Trust Deed.

(d) *Benchmark Discontinuation*

Notwithstanding the provisions above:

(i) *Independent Adviser*

If the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3(d)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 3(d)(iii)) and any Benchmark Amendments (in accordance with Condition 3(d)(iv)).

An Independent Adviser appointed pursuant to this Condition 3(d) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent, the Paying Agents, the Trustee, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 3(d).

(ii) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3(d)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3(d)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3(d)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3(d)).

If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate, the Issuer (acting

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in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Rate;

(iii) *Adjustment Spread*

If the Issuer, following consultation with the Independent Adviser, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser, is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 3(d) and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3(d)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 3(d)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3(d) will be notified promptly by the Issuer to the Agent, the Calculation Agent, the Paying Agents, the Trustee and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 3(d)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in the Agency Agreement will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 3(d)(v).

(vii) *Definitions:*

As used in this Condition 3(d):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser, determines (acting in good faith and in a commercially reasonable manner) is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably

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practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iii) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

**"Alternative Rate"** means an alternative to the Original Reference Rate which the Issuer, following consultation with the Independent Adviser, determines in accordance with Condition 3(d)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer, following consultation with the Independent Adviser, determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Original Reference Rate.

**"Benchmark Amendments"** has the meaning given to it in Condition 3(d)(iv).

**"Benchmark Event"** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or



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- (v) it has become unlawful for any Paying Agent, the Calculation Agent, the Trustee or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 3(d)(i).

**"Original Reference Rate"** means the Reference Rate originally-specified in the Final Terms (or the Pricing Supplement, as the case may be) or, where such Reference Rate has been replaced by an Alternative Rate or a Successor Rate, such Alternative Rate or Successor Rate used to determine the Rate of Interest (or any component part thereof) on the Notes.

**"Relevant Nominating Body"** means, in respect of a Reference Rate:

- (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Successor Rate"** means the rate that the Issuer, following consultation with the Independent Adviser, determines is a successor to or replacement of the Original Reference Rate and which is formally recommended by any Relevant Nominating Body.

## 4. Redemption and Purchase

### (a) *Final redemption*

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

### (b) *Redemption for taxation reasons*

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that as a result of any change in, or amendment to, the laws, published practice or regulations of The Netherlands or the United Kingdom or any political subdivision of, or any authority in, or of, The Netherlands or the United Kingdom, as the case may be, having power to tax, or any change in the application or official or generally accepted interpretation of such laws or regulations, which change or amendment becomes effective after the date on which agreement is reached to issue the first Tranche of the Notes, on the occasion of the next payment due in respect of the Notes either the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself the Guarantor would be required to pay such additional amounts, the Issuer may at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Agent and the Noteholders in accordance with Condition 15 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time (if this Note is not a Floating Rate Note) or on the next Interest Payment Date (if this Note is a Floating Rate Note) at their Early Redemption Amount referred to in paragraph (g) below together, if applicable, with interest accrued to (but excluding) the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer or the Guarantor would be required to pay the

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additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 4, the Issuer shall deliver to the Trustee a certificate signed by a duly authorised officer of the Issuer or, as the case may be, a duly authorised officer of the Guarantor stating that the requirement referred to above will apply on the occasion of the next payment due in respect of the Notes and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and Couponholders.

### (c) *Redemption at the option of the Issuer*

If so specified in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), redeem all or some only (as specified in the applicable Final Terms) of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly. In the event of a redemption of some only of the Notes, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in the nominal amount at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by Definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 15 not less than 30 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least 30 days prior to the Selection Date.

### (d) *Redemption at the option of the Noteholders*

If the Noteholders are specified in the applicable Final Terms as having an option to redeem, upon the holder of this Note (unless otherwise specified in the applicable Final Terms) giving to the Issuer, in accordance with Condition 15, not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer shall, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on any Optional Redemption Date and at the relevant Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note, the holder of this Note must deliver this Note, on any Business Day (as defined in Condition 3(b)(i)) falling within the notice period, to the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, and address) to which payment is to be made under this Condition 4.

### (e) *Purchases*

The Issuer, the Guarantor or any Subsidiary (as defined in the Trust Deed) of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Coupons appertaining thereto are surrendered therewith) in any manner and at any price.

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### (f) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (g) below as though the references therein to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) the day after the date on which the full amount of moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders either in accordance with Condition 15 or individually.

### (g) *Early Redemption Amounts*

For the purposes of paragraph (b) above and Condition 9:

- (i) each Note (other than a Zero Coupon Note) will be redeemed at its "**Early Redemption Amount**"; and
- (ii) each Zero Coupon Note will be redeemed at an amount (the "**Accrued Face Amount**") equal to the sum of:
  - (A) the Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable,

or such other amount as is provided in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (I) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each and (II) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (III) on such other calculation basis as may be specified in the applicable Final Terms.

### (h) *Cancellation*

All Notes which are redeemed in full will forthwith be cancelled (together with, in the case of Definitive Notes, all unmatured and Coupons presented therewith, and accordingly may not be reissued or resold. Notes purchased by the Issuer, the Guarantor or any Subsidiary of the Issuer or Guarantor may be held, resold, re-issued or cancelled.

## 5. **Payments**

### (a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro or Renminbi will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, will be to a non-resident account) maintained by the payee with, or, at the option of the holder, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively);

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- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (iii) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to Condition 8) any law implementing an intergovernmental approach thereto. References to "**Specified Currency**" will include any successor currency under applicable law.

### (b) *Presentation of Notes and Coupons*

Subject as provided below, payments in respect of principal and interest (if any) in respect of Definitive Notes (if issued) will be made against surrender (or, in the case of part payment only, endorsement) of the Definitive Notes or, as the case may be, Coupons, in each case, at any specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)). Payments in respect of principal and interest (if any) in respect of Swiss Franc Domestic Notes will be made only within Switzerland. If any Definitive Note is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable only on surrender of such Note.

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made on such Global Note, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by such Paying Agent or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor or either of them will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor or either of them to, or to the order of, the holder of the relevant Global Note (or the Trustee, as the case may be). No person other than the holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer or, as the case may be, the Guarantor or either of them in respect of any payments due on that Global Note.

Notwithstanding the foregoing, payments of interest in U.S. Dollars will be made at the specified office of any Paying Agent in the United States if (a) the Issuer and the Guarantor shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due, (b) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer or the Guarantor, adverse tax consequences for the Issuer or the Guarantor.

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Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupons as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of ten years after the relevant date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon any Floating Rate Note or Long Maturity Note in definitive form becoming due and repayable, all unmatured Coupons and Talons (if any) relating to such Note (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any interest-bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such interest-bearing Note from (and including) the last preceding due date for the payment of interest (or from (and including) the Interest Commencement Date, as the case may be) will be paid only against surrender of such interest-bearing Note.

### (c) *Payment Day*

If any date for payment of any amount in respect of any Note or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition 5 (unless otherwise specified in the applicable Final Terms), "**Payment Day**" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation; and
  - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), (2) in relation to any sum payable in euro, a day on which the TARGET2 System is operating, or (3) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

### (d) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

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- (i) any additional amounts which may be payable with respect to principal under Condition 8 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes; and
- (v) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

(e) *Renminbi account*

All payments in respect of any Note or Coupon in Renminbi will be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

(f) *Renminbi Currency Event*

If Renminbi Currency Event is specified in the applicable Final Terms and a Renminbi Currency Event, as determined by the relevant Issuer acting in good faith, exists on a date for payment of any principal or interest (in whole or in part) in respect of any Note or Coupon, the relevant Issuer's obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount (in whole or in part) in the Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified by the Calculation Agent to the Issuer and the Paying Agents.

Upon the occurrence of a Renminbi Currency Event, the relevant Issuer shall give not less than three nor more than 30 Business Days' prior the due date for payment irrevocable notice to the Noteholders in accordance with Condition 15 stating the occurrence of the Renminbi Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and the definition of "**Payment Day**" in Condition 5(c) shall mean any day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) London and New York City.

For the purpose of this Condition 5 and unless stated otherwise in the applicable Final Terms:

**"Determination Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

**"Determination Date"** means the day which is two Determination Business Days before the due date of the relevant payment under the Notes;

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

**"Local Time"** means the time of day in the jurisdiction in which the Calculation Agent, appointed in connection with that series of Notes, is located;

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**"Relevant Currency"** means United States dollars or such other currency as may be specified in the applicable Final Terms;

**"Renminbi Currency Events"** means any one of Renminbi Illiquidity, Renminbi Non-Transferability and Renminbi Inconvertibility;

**"Renminbi Illiquidity"** means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the relevant Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes, as determined by the relevant Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in Hong Kong;

**"Renminbi Inconvertibility"** means the occurrence of any event that makes it impossible for the relevant Issuer to convert any amount due in respect of the Notes into Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the relevant Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the relevant Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Renminbi Non-Transferability"** means the occurrence of any event that makes it impossible for the relevant Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the relevant Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the relevant Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

**"Spot Rate"** means, unless specified otherwise in the applicable Final Terms, the spot CNY/U.S.\$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11a.m. (Local Time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the Spot Rate at or around 11a.m. (Local Time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(f) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the relevant Issuer, the Agents and all Renminbi Noteholders.

## 6. Exchange of Talons

On and after the Interest Payment Date or the Fixed Interest Date (as appropriate) on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these

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### 7. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are either set out below or in the applicable Final Terms. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. In the event of the appointed office of the Agent being unable or unwilling to continue to act as the Agent, or failing duly to determine the Rate of Interest (if applicable) or to calculate the Interest Amounts for any Interest Period, the Issuer and the Guarantor shall appoint the London office of such other bank as may be approved by the Trustee (such approval not to be unreasonably withheld or delayed) to act as such in its place as Agent. The Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid. The Issuer and the Guarantor may, with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed), vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that the Issuer and the Guarantor will (i) so long as any of the Notes is outstanding, maintain a Paying Agent (which may be the Agent) having a specified office in a jurisdiction approved by the Trustee (such approval not to be unreasonably withheld or delayed) in continental Europe other than The Netherlands; and (ii) so long as any of the Notes are admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange and/or any other listing authority, stock exchange and/or quotation system, maintain a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated and/or in such other place as may be required by the rules of such other listing authority, stock exchange and/or quotation system.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the fourth paragraph of Condition 5(b). Notice of any such variation, termination, appointment or change will be given by the Issuer to the Noteholders in accordance with Condition 15.

### 8. Taxation

All payments of principal and interest (if any) in respect of the Notes and Coupons will be made without withholding of or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands in the case of payments by Shell Finance and in the case of payments by Royal Dutch Shell, the United Kingdom or The Netherlands or, in either case, any political sub-division thereof or by any authority therein or thereof having power to tax, unless the Issuer or, as the case may be, the Guarantor is compelled by law to withhold or deduct any such taxes, duties, assessments or governmental charges. In that event, such Issuer or, as the case may be, such Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders and/or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes and/or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with The Netherlands or the United Kingdom (as the case may be) otherwise than by reason only of his holding such Note or Coupon; or
- (ii) presented for payment by or on behalf of a holder who would not be liable or subject to such withholding or deduction if he were to comply with any statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so;



## Terms and Conditions of the Notes

- (iii) presented for payment more than 30 days after the relevant date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days assuming that day to have been a Payment Day; or
- (iv) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

For this purpose, the "**relevant date**" means whichever is the later of the date on which the moneys in respect of the Note or Coupon (as the case may be) first become due and payable and, if the full amount of the moneys payable on such date has not been received by the Agent or the Trustee on or prior to such date, the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 15.

### 9. Events of Default and Enforcement

- (a) The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), (but, in the case of the happening of any of the events mentioned in sub-paragraphs (ii) to (vii) inclusive below only if the Trustee shall have certified in writing that such event, is in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer and the Guarantor that the Notes are, and they shall accordingly thereby immediately become, due and repayable at their Early Redemption Amount (together, in respect of each Note, with interest accrued to the date upon which, the Early Redemption Amount of the Notes having been received by the Agent or the Trustee, payment is made in respect of such Note, or, if earlier, notice is duly given to the Noteholders in accordance with Condition 15) if any of the following events shall occur and be continuing:
  - (i) default is made for more than 30 days in paying in the Specified Currency any principal of or any interest on any of the Notes when due; or
  - (ii) there is default in the performance of any other obligation of the Issuer or the Guarantor under the Notes or the Trust Deed in respect of the Notes which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 90 days after notice of such default shall have been given to the Issuer and the Guarantor by the Trustee; or
  - (iii) except for the purpose of a reconstruction or an amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders:
    - (a) an order is made by a court of competent jurisdiction in its country of incorporation of an administrator in relation to the Issuer or the Guarantor or an administration or similar order is made by a court of competent jurisdiction in its country of incorporation in relation to the Issuer or the Guarantor and any such order is not discharged or stayed within a period of 90 days or an effective resolution is passed for winding-up or dissolving the Issuer or the Guarantor; or
    - (b) the Issuer or the Guarantor ceases to carry on substantially the whole of its business or admits in writing it is unable to pay its debts as they fall due; or
  - (iv) an administrative or other receiver or similar officer is appointed of the whole or substantially the whole of the assets of the Issuer or the Guarantor and is not removed, paid out or discharged within 90 days or, following such 90-day period, the appointment is not being disputed in good faith; or
  - (v) if Shell Finance is the Issuer, the Issuer applies for *surseance van betaling* (within the meaning of *The Netherlands Bankruptcy Act (Faillissementswet)*); or
  - (vi) the Issuer or the Guarantor is adjudicated bankrupt or insolvent by a court of competent jurisdiction in its country of incorporation; or

## Terms and Conditions of the Notes

- (vii) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.
- (b) The Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

### 10. Prescription

The Notes and Coupons (which for this purpose shall not include the Talons) will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of Notes) and five years (in the case of Coupons), in each case from the relevant date (as defined in Condition 8) in respect thereof, subject to the provisions of Condition 5. There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5 or any Talon which would be void pursuant to Condition 5.

### 11. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions (as completed by the applicable Final Terms or, in the case of Exempt Notes, as completed, modified or replaced by the applicable Pricing Supplement), or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Terms and Conditions (as completed by the applicable Final Terms or, in the case of Exempt Notes, as completed, modified or replaced by the applicable Pricing Supplement) and of the provisions of the Trust Deed the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than 75 per cent. of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed or these Terms and Conditions as completed by the applicable Final Terms which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or which is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation shall be binding on the Noteholders and Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the

## Terms and Conditions of the Notes

interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any particular sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trust Deed contains provisions for convening a single meeting of holders of notes (including the Notes) of more than one series in certain circumstances where the Trustee so decides.

### 12. Further Issues

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save in relation to the first payment of interest thereon and the date from which interest starts to accrue), and so that the same shall be consolidated and form a single series with the outstanding Notes.

### 13. Replacement of Notes, Coupons and Talons

If a Note (including any Global Note), Coupon or Talon is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Agent on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before new ones will be issued.

### 14. Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from taking proceedings to enforce payment unless indemnified to its satisfaction.

### 15. Notices

All notices regarding the Notes will be valid if published in one leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*) or, if this is not possible, in one other leading English language daily newspaper with general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication or, if required to be published in more than one newspaper, on the date of the first such publication in all the required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Until such time as any Definitive Notes are issued, there may, so long as any Global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. While any of the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## Terms and Conditions of the Notes

### 16. Substitution

The Trustee may agree without the consent of the Noteholders or the Couponholders to (i) the substitution in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons (where the Issuer is Shell Finance) of any affiliate of the Issuer, the Guarantor, any Subsidiary of the Guarantor, any Holding Company (as defined in the Trust Deed) of the Guarantor, the Successor in Business (as defined in the Trust Deed) of the Guarantor, any Subsidiary of any such Holding Company or any Subsidiary of any such Successor in Business or (where the Issuer is Royal Dutch Shell) of any Subsidiary of the Issuer, any Holding Company of the Issuer, the Successor in Business of the Issuer, any Subsidiary of any such Holding Company or any Subsidiary of any such Successor in Business or (ii) the substitution in place of the Guarantor of a Successor in Business to the Guarantor or any Holding Company of the Guarantor, any such substitution as aforesaid being subject to the Trustee being of the opinion that such substitution is not materially prejudicial to the interests of the Noteholders and certain other requirements set out in the Trust Deed being complied with.

In addition, the Trustee shall agree without the consent of the Noteholders or the Couponholders, to any such substitution as described in the preceding paragraph subject to the satisfaction of the conditions set out in the Trust Deed for any such substitution, including the provision of ratings confirmation.

### 17. Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of this Note or the Trust Deed but this does not affect any right or remedy of any person which exists or is available apart from that Act.

### 18. Governing Law and Jurisdiction

#### (a) *Governing Law:*

The Notes, the Coupons, the Talons, the Trust Deed (including the Guarantee) and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Coupons, the Talons, the Trust Deed (including the Guarantee) and the Agency Agreement shall be governed by, and construed in accordance with, English law.

#### (b) *Jurisdiction:*

Shell Finance has irrevocably agreed in the Trust Deed for the exclusive benefit of the Trustee, the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed or the Notes, Coupons or Talons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, Coupons or Talons and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection therewith may be brought in the courts of England.

Shell Finance has in the Trust Deed irrevocably and unconditionally waived any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England and any claim that any such Proceedings have been brought in an inconvenient forum and any judgment obtained in the courts of England shall be conclusive and binding upon it and (save as provided below) may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition 18 shall limit any right to take Proceedings in one or more jurisdictions nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not to the extent permitted by law save that this Condition 18 does not extend to the taking of Proceedings in any Federal, State or other courts in the United States of America or any State or territory thereof and the Trustee has undertaken in the Trust Deed not to take any Proceedings in any such courts and neither the Trustee nor any Noteholder or Couponholder shall have any right to do so.

Shell Finance has in the Trust Deed appointed Shell International Limited (Attention: Company Secretary) at Shell Centre, London SE1 7NA (or at its registered office for the time being in England) as

## **Terms and Conditions of the Notes**

its agent for service of process in England in respect of any Proceedings in England and has undertaken that in the event of it ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

## Use of Proceeds

The net proceeds of each issue of Notes will be used for the general purposes of the Shell Group, which include making a profit, unless otherwise specified in the applicable Final Terms, and/or for such specific purposes as may be determined from time to time.

## Form of Final Terms

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**MIFID II Product Governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [ ]

[**Shell International Finance B.V., with corporate seat in The Hague**

Legal entity identifier (LEI): 213800ITMMKU4Z7I4F78

Guaranteed by]

**Royal Dutch Shell plc**

Legal entity identifier (LEI): 21380068P1DRH MJ8KU70

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under a Multi-Currency Debt Securities Programme (the "**Programme**")

### PART A — CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 3 August 2018 [and the supplement[s] to it dated [●] [and [●]] which together constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Information Memorandum**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum. The Information Memorandum has been published on [●] website.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Information Memorandum dated [date] [and the supplement to it dated [date]] which are incorporated by reference in the Information Memorandum dated 3 August 2018 and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum dated 3 August 2018 [and the supplement[s] to it dated [●] [and [●]]] which constitutes a base prospectus for the purposes of the Prospectus Directive (the "**Information Memorandum**"). Full information on the Issuer [, the Guarantor] and

## Form of Final Terms

the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum dated 3 August 2018. The Information Memorandum has been published on [●] website.]

### Principal Operational Information

1. (a) Issuer: [Shell International Finance B.V./Royal Dutch Shell plc]
- (b) Guarantor: [Royal Dutch Shell/Not Applicable]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [ ]][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ]
- (a) Series: [ ]
- (b) Tranche: [ ]
5. Issue Date: [ ]
6. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [ ]]
7. Form of Notes: [Temporary Global Note exchangeable for Permanent Global Note and further exchangeable into Definitive Notes at the request of the Issuer and in the limited circumstances set out therein]  
[Temporary Global Note exchangeable for Definitive Notes [on [ ] days' notice]]  
[Permanent Global Note exchangeable for Definitive Notes at the request of the Issuer and in the limited circumstances set out therein]  
[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005<sup>1</sup>]
8. New Global Note: [Yes] [No]
9. Specified Denomination(s): [ ]
10. Calculation Amount: [ ]
11. Interest/Payment Basis: [Fixed Rate/Floating Rate/Zero Coupon (see paragraph [15]/[16]/[17]/[18] below)]

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<sup>1</sup> Include for Notes that are to be offered in Belgium.



## Form of Final Terms

12. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made][No]

## Issue of Notes

13. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ] (if applicable)]
14. Interest Commencement Date: [Issue Date][ ] [Not Applicable]

## Provisions Relating to Interest (if any) Payable

15. Effective yield: [ ]
16. Fixed Rate Note Provisions [Applicable][Not Applicable]
- (a) Fixed Rate of Interest: [ ] per cent. per annum
- (b) Fixed Interest Date(s): [[ ] in each year up to and including the Maturity Date]
- (c) Fixed Amount: [ ] per Calculation Amount
- (d) [Initial Broken Amount:] [[ ] per Calculation Amount payable on the Interest Payment Date falling [on/in][ ]][Not Applicable]
- (e) [Final Broken Amount:] [[ ] per Calculation Amount payable on the Interest Payment Date falling [on/in][ ]][Not Applicable]
- (f) Fixed Day Count Fraction: [Actual/Actual (ICMA)] [30/360] [Actual/365 (Fixed)]
- [If Actual/Actual (ICMA) include Determination Date(s) in each year: [ ]]
17. Floating Rate Note Provisions [Applicable][Not Applicable]
- (a) Specified Period(s) or specified Interest Payment Date(s): [ ], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other][Not Applicable]
- (c) Additional Business Centre(s): [ ] [Not Applicable]
- (d) Manner in which the Rate of Interest is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Relevant Screen Page (*Screen Rate Determination*): [ ] [Not Applicable]
- (f) Reference Rate (Screen Rate Determination): [ ] month [EURIBOR/LIBOR/LIBID/LIMEAN] [Not Applicable]
- (g) Interest Determination Date(s) (*Screen Rate Determination*): [ ] [Not Applicable]
- (h) Margin(s): [[+/-][ ] per cent. per annum][Not Applicable]

## Form of Final Terms

- (i) Floating Rate Option (*ISDA Determination*): [ ] [Not Applicable]
- (j) Designated Maturity (*ISDA Determination*): [ ] [Not Applicable]
- (k) Reset Date (*ISDA Determination*): [ ] [Not Applicable]
- (l) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [Long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (m) Minimum Interest Rate: [ ] per cent. per annum
- (n) Maximum Interest Rate: [ ] per cent. per annum
- (o) Day Count Fraction: [Actual/Actual (*ISDA*)][Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30/360][360/360][Bond Basis]  
[30E/360] [Eurobond Basis]  
[30E/360 (*ISDA*)]
- (p) Calculation Agent responsible for determining interest rate(s) and calculating the interest due, if not the Agent: [ ] [Not Applicable]
18. Zero Coupon Notes [Applicable][Not Applicable]
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ] per cent. per annum
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

## Provisions Relating to Redemption

19. Issuer call option: [Applicable][Not Applicable]
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [ ] per Calculation Amount
- (c) If redeemable in part: [ ]
- (i) Minimum Redemption Amount:
- (ii) Higher Redemption Amount: [ ]
- (d) Notice Periods: For the purposes of Condition 4[(b)/(c)], the following notice period[s] apply:  
Minimum period: [15] days  
Maximum period: [30] days

## Put Option

20. Noteholders' put option: [Applicable][Not Applicable]
- (a) Optional Redemption Date(s): [ ]

## Form of Final Terms

- (b) Notice periods: Minimum period: [15] days  
Maximum period: [30] days
- (c) Optional Redemption Amount: [ ] per Calculation Amount

### Final Redemption Amount

21. Final Redemption Amount: [ ] per Calculation Amount

### Early Redemption Amount

22. Early Redemption Amount payable on [ ] per Calculation Amount redemption for taxation reasons or on an Event of Default:

### Provisions Regarding Payments

23. Definition of "**Payment Day**" if different to [ ] that set out in Condition 5(c):

### General Provisions Applicable to the Notes

24. Additional Financial Centre(s): [ ][Not Applicable]
25. Renminbi Currency Event: [Applicable][Not Applicable]

### THIRD PARTY INFORMATION

[[ ] has been extracted from [ ]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Royal Dutch Shell plc

By: .....

*(Duly authorised)*

Signed on behalf of Shell International Finance B.V.

By: .....

*(Duly authorised)*

## Form of Final Terms

### PART B — OTHER INFORMATION

#### Listing

1. Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's regulated market and for the Official List of the UK Listing Authority] with effect from [ ]]
2. Estimate of total expenses related to admission to trading: [ ]

#### Ratings

3. Ratings: [The Notes to be issued have not been rated][The Notes to be issued [[have been]/[are expected to be]] rated:  
[[ ] by Moody's]  
[[ ] by S&P]]

#### Interests of Natural and Legal Persons Involved in the Issue

4. [Save for any fees payable to [ ] as the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

#### Reasons for the Offer; Estimated net proceeds; and Estimated total expenses:

5. (a) Reasons for the Offer: [ ]  
*(See "Use of Proceeds" wording in Information Memorandum – if reasons for offer different from making a profit and/or for such specific purposes as may be determined from time to time will need to include those reasons here and then also complete (b) and (c) below.)*  
[ ]
- (b) Estimated net proceeds: [ ]  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (c) Estimated total expenses: [ ]  
*(Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".)*

#### Yield (Fixed Rate Notes only)

6. Indication of yield: [ ]  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## Form of Final Terms

### Operational Information

7. (a) ISIN: [ ]
- (b) Common Code: [ ]
- (c) CFI: [[ ]/Not Applicable]
- (d) FISN: [[ ]/Not Applicable]
- (If the CFI and/or FISN is not required, it/they should be specified to be "Not Applicable")*
- (e) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/[ ]]
- (f) Delivery: Delivery [against/free of] payment
- (g) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (h) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "**yes**" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon ECB being satisfied that the Eurosystem eligibility criteria have been met.]
- [No. While the designation is specified as "**no**" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- (i) Trustee: [Deutsche Trustee Company Limited]/[other]
- (j) Agent: [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom]/[other]
- (k) Paying Agent: [Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, L-1115, Luxembourg]/[other]
8. **Distribution**
- (a) Method of distribution: [Syndicated/Non-syndicated]

## Form of Final Terms

- (b) If syndicated, names of Managers: [Not Applicable/*give names*]
- (c) If non-syndicated, name of Dealer: [   ]
- (d) Applicable TEFRA rules: [D Rules][C Rules][Not Applicable]
- (e) Certificate of Non-U.S. Beneficial Ownership: [Yes/No]
- (f) Prohibition of Sales to Belgian Consumers [Applicable/Not Applicable]  
*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)*

## Form of Pricing Supplement

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[MIFID II Product Governance / target market** – *[appropriate target market legend to be included]*]

### EXEMPT NOTES OF ANY DENOMINATION

*[Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.]*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW. THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.**

Dated [ ]

**[Shell International Finance B.V., with corporate seat in The Hague**

Legal entity identifier (LEI): 213800ITMMKU4Z7I4F78

Guaranteed by]

**Royal Dutch Shell plc**

Legal entity identifier (LEI): 21380068P1DRH MJ8KU70

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under a Multi-Currency Debt Securities Programme (the "**Programme**")

### PART A — CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in the circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Information Memorandum dated 3 August 2018 [as supplemented by the supplement[s] dated [date[s]]] (the "**Information Memorandum**"). Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum. Copies of the Information Memorandum may be obtained from [address].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Information Memorandum [dated [original date] [and the supplement dated [date]]] which are incorporated by reference in the Information Memorandum].

## Form of Pricing Supplement

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]*

## Principal Operational Information

1. (a) Issuer: [Shell International Finance B.V./Royal Dutch Shell plc]
- (b) Guarantor: [Royal Dutch Shell/Not Applicable]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [date]][Not Applicable]
3. Specified Currency: [ ]
4. Aggregate Nominal Amount: [ ]
- (a) Series: [ ]
- (b) Tranche: [ ]
5. Issue Date: [ ]
6. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to *[specify month and year]*]
7. Form of Notes: [Temporary Global Note exchangeable for Permanent Global Note and further exchangeable into Definitive Notes at the request of the Issuer and in the limited circumstances set out therein]  
  
[The Notes will be represented by a Permanent Global Note. The Notes, Coupons and Talons and all rights in connection therewith are documented solely in the form of the Permanent Global Note]  
  
[The Permanent Global Note will be exchangeable for Definitive Notes in whole but not in part, but only at the option and sole discretion of the Swiss Principal Paying Agent; holders of the Notes have no right to request the delivery of Definitive Notes]  
  
[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in



## Form of Pricing Supplement

- accordance with article 4 of the Belgian Law of 14 December 2005<sup>1</sup>]
8. New Global Note: [Yes] [No]
9. Specified Denomination(s): [ ]
- (N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*
- (N.B. Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*
- "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.")*
10. Calculation Amount: [ ] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
11. Interest/Payment Basis: [Fixed Rate/Floating Rate/Zero Coupon (see paragraph [16/17/18])]
12. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

## Issue of Notes

13. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
14. Interest Commencement Date: [Issue Date][specify][Not Applicable]

## Provisions Relating to Interest (if any) Payable

15. Effective yield: [ ] (only applicable if Notes are to be listed on the Official Segment of the Stock Market of NYSE Euronext in Amsterdam)
16. Fixed Rate Note Provisions: [Applicable][Not Applicable]
- (a) Fixed Rate of Interest: [ ] per cent. per annum
- (b) Fixed Interest Date(s): [[ ] in each year up to and including the Maturity Date]
- (c) Fixed Amount: (Applicable to Notes in definitive form) [ ] per Calculation Amount
- (d) [Initial Broken Amount: (Applicable to Notes in definitive form)] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (e) [Final Broken Amount: (Applicable to

<sup>1</sup> Include for Notes that are to be offered in Belgium.

## Form of Pricing Supplement

	<i>Notes in definitive form</i> )]	Payment Date falling [in/on] [ ]][Not Applicable]
(f)	Fixed Day Count Fraction:	[Actual/Actual (ICMA)] [30/360] [Actual/365 (Fixed)]  [If Actual/Actual (ICMA), include Determination Date(s) in each year: [ ]]  <i>(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in case of a long or short first or last coupon.)</i>
17.	Floating Rate Note Provisions:	[Applicable][Not Applicable]
(a)	Specified Period(s) or specified Interest Payment Date(s):	[ ] [ ], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable][Specify either a period where Floating Rate Convention is used or specific date(s) where any other Business Day Convention is used]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)][Not Applicable]
(c)	Additional Business Centre(s):	[ ] [Not Applicable]
(d)	Manner in which the Rate of Interest is to be determined:	[Screen Rate Determination/ISDA Determination]
(e)	Relevant Screen Page ( <i>Screen Rate Determination</i> ):	[ ] [Not Applicable]
(f)	Reference Rate (Screen Rate Determination):	[ ] month [EURIBOR/LIBOR/LIBID/LIMEAN] [Not Applicable] <i>(Either EURIBOR, LIBOR, LIBID, LIMEAN or other, although additional information is required if other, including fall back provisions in the Agency Agreement)</i>
(g)	Interest Determination Date(s) ( <i>Screen Rate Determination</i> ):	[ ] [Not Applicable]
(h)	Margin(s):	[[+/-][ ] per cent. per annum][Not Applicable]
(i)	Floating Rate Option ( <i>ISDA Determination</i> ):	[ ] [Not Applicable]
(j)	Designated Maturity ( <i>ISDA Determination</i> ):	[ ] [Not Applicable]
(k)	Reset Date ( <i>ISDA Determination</i> ):	[ ] [Not Applicable]  <i>(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR</i>

## Form of Pricing Supplement

*which, depending on market circumstances, may not be available at the relevant time)*

- |     |  |   |
|-----|--|---|
| (l) | Linear Interpolation:  | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )] |
| (m) | Minimum Interest Rate:   | [ ] per cent. per annum   |
| (n) | Maximum Interest Rate:   | [ ] per cent. per annum   |
| (o) | Day Count Fraction:  | [Actual/Actual (ISDA)][Actual/Actual]<br>[Actual/365 (Fixed)]<br>[Actual/360]<br>[30/360][360/360][Bond Basis]<br>[30E/360] [Eurobond Basis]<br>[30E/360 (ISDA)]  |
| (p) | Calculation Agent responsible for determining interest rate(s) and calculating the interest due, if not the Agent: | [ ] [Not Applicable]  |
| 18. | Zero Coupon Notes  | [Applicable][Not Applicable]  |
| (a) | Accrual Yield:   | [ ] per cent. per annum   |
| (b) | Reference Price:   | [ ] per cent. per annum   |
| (c) | Day Count Fraction in relation to Early Redemption Amounts:  | [30/360]<br>[Actual/360]<br>[Actual/365]  |

## Provisions Relating to Redemption

- |      |  |   |
|------|--|---|
| 19.  | Issuer call option:  | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  |
| (a)  | Optional Redemption Date(s):   | [ ]   |
| (b)  | Optional Redemption Amount and method, if any, of calculation of such amount(s): | [ ] per Calculation Amount  |
| (c)  | If redeemable in part:   | [ ]   |
| (i)  | Minimum Redemption Amount:   | [ ]   |
| (ii) | Higher Redemption Amount:  | [ ]   |
| (d)  | Notice Periods:  | For the purposes of Condition 4[(b)/(c)], the following notice period[s] apply:<br>Minimum period: [15] days<br>Maximum period: [30] days<br><i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and</i> |

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*custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*

### Put Option

20. Noteholders' put option: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]
- (b) Notice periods Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of [15] clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*
- (c) Optional Redemption Amount: [ ] per Calculation Amount

### Final Redemption Amount

21. Final Redemption Amount: [ ] per Calculation Amount

### Early Redemption Amount

22. Early Redemption Amount payable on redemption for taxation reasons or on an Event of Default: [ ] per Calculation Amount

### Provisions Regarding Payments

23. [Definition of "Payment Day" if different to that set out in Condition 5(c): [give details]]

### General Provisions Applicable to the Notes

24. Additional Financial Centre(s): [give details][Not Applicable]  
*(Note that this item relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which item 17(c) relates)*
25. Renminbi Currency Event: [Applicable][Not Applicable]

### THIRD PARTY INFORMATION

[ ] has been extracted from [ ]. [Each of] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

**Form of Pricing Supplement**

Signed on behalf of Royal Dutch Shell plc

By: .....

*(Duly authorised)*

[Signed on behalf of Shell International Finance B.V.]

By: .....

*(Duly authorised)*

## Form of Pricing Supplement

### PART B — OTHER INFORMATION

#### Listing

1. Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant market – note this must not be a regulated market]* with effect from [ ] [Not Applicable.]
- [For Swiss Franc Domestic Notes, insert the following:
- The Notes will be [unlisted/listed solely on the SWX Swiss Exchange]]
2. Estimate of total expenses related to admission to trading: [ ]

#### Ratings

3. Ratings: [The Notes to be issued have not been rated][The Notes to be issued [[have been]/[are expected to be]] rated:
- [[ ] by Moody's]
- [[ ] by S&P]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

#### Interests of Natural and Legal Persons Involved in the Issue

4. [Save for any fees payable to the [Dealer/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. *Amend as appropriate if there are other interests]*

#### Reasons for the Offer; Estimated net proceeds; and Estimated total expenses:

5. Reasons for the Offer: [ ]
- (See "Use of Proceeds" wording in Information Memorandum – if reasons for offer different from making a profit and/or for such specific purposes as may be determined from time to time will need to include those reasons here and then also complete (b) and (c) below.)*
- [ ]
- [ ]
- Estimated net proceeds:
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

## Form of Pricing Supplement

Estimated total expenses:

[     ]

*(Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".)*

### Yield (Fixed Rate Notes only)

6. Indication of yield:

[     ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### Operational Information

7. (a) ISIN:

[     ]

(b) Common Code:

[     ]

(c) CFI:

[ ]/Not Applicable]

(d) FISN:

[ ]/Not Applicable]

*(If the CFI and/or FISN is not required, it/they should be specified to be "Not Applicable")*

(e) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):

[Not Applicable/give name(s) and number(s)]

(f) Delivery:

Delivery [against/free of] payment

(g) Names and addresses of additional Paying Agent(s) (if any):

[     ]

(h) Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "**yes**" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon ECB being satisfied that the Eurosystem eligibility criteria have been met.]

[No. While the designation is specified as "**no**" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

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- (i) Trustee: [Deutsche Trustee Company Limited]/[other]
- (j) Agent: [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom]/ [other]
- (k) Paying Agent: [Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, L-1115, Luxembourg]/[other]
- (l) [Swiss Paying Agents: Swiss Principal Paying Agent: [ ] shall act as Swiss Principal Paying Agent (the "**Swiss Principal Paying Agent**"). All references in the Conditions to the Agent shall, where applicable, for the purposes of the Swiss Franc Domestic Notes only, be construed as references to the Swiss Principal Paying Agent. The Issuer will[, so long as Swiss Franc Domestic Notes are outstanding,] maintain a principal paying agent for the Notes having a specified office in Switzerland.
- Swiss Paying Agents: [ ] (together with the Swiss Principal Paying Agent, the "**Swiss Paying Agents**"). All references in the Conditions to the Agents shall, where applicable, for the purposes of the Swiss Franc Domestic Notes only, be construed as references to the Swiss Paying Agents and will at no time include a paying agent having a specified office outside Switzerland, unless permitted by applicable law.]\*\*
- (m) [Dutch Paying Agent: [Insert details] ]\*\*\*
8. Distribution
- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/give names]
- (c) If non-syndicated, name of Dealer: [ ]
- (d) Applicable TEFRA rules: [D Rules]/[C Rules]/[Not Applicable (only if Tranche has a maturity of one year or under)]
- (e) Certificate of Non-U.S. Beneficial Ownership: [Yes/No] (not applicable for issues in respect of which the C Rules are stated above to apply, issues with a maturity of one year or under)
- (f) Prohibition of Sales to Belgian Consumers [Applicable/Not Applicable]
- (N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

\*\* Complete for Swiss Franc Domestic Notes.

\*\*\* For use if Notes are to be listed on NYSE Euronext in Amsterdam.



## **Royal Dutch Shell plc and Shell International Finance B.V.**

### **History and development of Royal Dutch Shell**

Royal Dutch Shell became the single parent company of N.V. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company) ("**Royal Dutch**") and The "**Shell**" Transport and Trading Company plc ("**Shell Transport**") as a result of the unification transaction described below. Since 1907, Royal Dutch and Shell Transport have been the parent companies of a group of companies known collectively as the "**Royal Dutch/Shell Group**" (now known as Shell or the Shell Group). The companies of the Shell Group are engaged worldwide in all the principal aspects of the oil and natural gas industry.

In July 2005, Royal Dutch Shell became the parent company of Royal Dutch and Shell Transport upon the consummation of (i) an exchange offer under Dutch law by Royal Dutch Shell for the outstanding shares of Royal Dutch and (ii) a scheme of arrangement under English law involving Shell Transport and its shareholders. After the unification, a series of restructuring transactions of the Group occurred in December 2005, which included the contribution of Shell Transport to Royal Dutch and the merger under Dutch law of Royal Dutch with its wholly-owned subsidiary, Shell Petroleum N.V. ("**Shell Petroleum**"). As a result of the merger, Royal Dutch and the Royal Dutch shares ceased to exist and Shell Petroleum, the surviving company in the merger, became a 100 per cent. owned subsidiary of Royal Dutch Shell and Shell Transport a 100 per cent. subsidiary of Shell Petroleum.

Royal Dutch Shell was incorporated in England and Wales under the Companies Act 1985 on 5 February 2002 as a private company limited by shares. On 27 October 2004 it re-registered as a public company limited by shares and changed its name to Royal Dutch Shell plc.

The primary object of Royal Dutch Shell is to carry on the business of a holding company. It has not traded since incorporation. Royal Dutch Shell does not have an objects clause in its Articles of Association and so, pursuant to section 31(1) of the Companies Act 2006, its objects are unrestricted.

Royal Dutch Shell is registered at Companies House, Cardiff, with company number 04366849 and in the commercial register of the Dutch Chamber of Commerce, The Hague under number 34179503. Its registered office is at Shell Centre, London SE1 7NA, United Kingdom and its headquarters are at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111. Royal Dutch Shell is considered a resident of The Netherlands for Dutch and UK tax purposes.

### **History and development of Shell Finance**

Shell Finance was incorporated as a private company with limited liability under the laws of The Netherlands on 5 March 2004 with the name Shell Project Development (VII) B.V. Shell Finance has its corporate seat in The Hague, The Netherlands and is registered in the commercial register of the Dutch Chamber of Commerce under number 27265903. The registered office of Shell Finance is Carel van Bylandtlaan 30, 2596 HR The Hague, tel.: +31 (0) 70 377 9111.

Shell Finance was renamed Shell International Finance B.V. and became a 100 per cent. owned subsidiary of Royal Dutch Shell on 20 July 2005. Shell Finance is a financing vehicle for Royal Dutch Shell and its consolidated subsidiaries. Shell Finance has no independent operations, other than raising debt for use by the Shell Group, hedging such debt when appropriate and on-lending funds raised to companies in the Shell Group. Shell Finance will lend substantially all proceeds of its borrowings to companies in the Shell Group and is therefore dependent on such companies repaying funds lent to them. The corporate object of Shell Finance is set out in Article 2 of its Articles of Association and is to obtain financial resources by securing public or private loans or by any other means and making such financial resources available in whatever form, in particular to other Shell Group companies (which includes the granting of security rights).

### **History and development of the Shell Group**

The history of the companies that make up the Shell Group goes back more than a century. Royal Dutch was registered in 1890, with its main interests being the development of the oil fields of Sumatra. Shell Transport

## **Royal Dutch Shell plc and Shell International Finance B.V.**

was formally established in 1897, having begun as a company selling seashells before diversifying into shipping oil.

Subsequently, the Royal Dutch/Shell Group grew out of a scheme of amalgamation between Royal Dutch and Shell Transport dated 12 September 1906 and agreements from 1907 by which the scheme of amalgamation was implemented and pursuant to which they combined their interests in the oil industry through the transfer of all the significant operating assets of each of Royal Dutch and Shell Transport to companies owned 60 per cent. by Royal Dutch and 40 per cent. by Shell Transport.

The Royal Dutch/Shell Group's energy and petrochemical operations then expanded rapidly with acquisitions in Europe, Africa and the Americas and the establishment of its chemicals business in 1929. By the middle of the twentieth century, the Royal Dutch/Shell Group had become one of the world's leading suppliers of oil products. The Royal Dutch/Shell Group was also developing interests in natural gas, which was emerging as a new alternative source of energy. This was followed by the major oil and gas discoveries in the North Sea in the 1970s, continued growth in gas consumption and the first shipments of liquefied natural gas.

The Shell Group has continued to grow and employed about 84,000 people in 2017 with operations in more than 70 countries and territories around the world providing a wide range of energy and petrochemical products. While best known to the public for its service stations and for exploring and producing oil and gas on land and at sea, the Shell Group's activities include transporting and trading oil and gas, marketing natural gas, producing and selling fuel for ships and planes, generating electricity and providing energy efficiency advice. The Shell Group also produces and sells petrochemical building blocks to industrial consumers globally and is investing in making renewable and lower-carbon energy sources competitive for large-scale use.

### **Business overview of the Shell Group**

#### **Activities and major interests**

Shell is one of the world's largest independent oil and gas companies in terms of market capitalisation, operating cash flow and oil and gas production.

Shell explores for oil and gas worldwide, both in conventional fields and from sources such as tight rock, shale and coal formations. Shell works to develop new crude oil and gas supplies from major fields. Shell also extracts bitumen from oil sands, and converts it into synthetic crude oil.

Shell cools natural gas to provide Liquefied Natural Gas ("LNG") that can be safely shipped to markets around the world, and it converts gas to liquids ("GTL").

Shell's portfolio of refineries and chemical plants enables it to capture value from the oil and gas that it produces, turning them into a range of refined and petrochemical products, which are moved and marketed around the world for domestic, industrial and transport use. The products Shell sells include gasoline, diesel, heating oil, aviation fuel and marine fuel, LNG for transport, lubricants, bitumen and sulphur. Shell also produces and sells ethanol from sugar cane in Brazil, through its Raizen joint venture. The distinctive Shell pecten, (a trademark in use since the early part of the 20th century), and trademarks in which the word Shell appears, help raise the profile of its brand globally. A strong patent portfolio underlies the technology that Shell employs in its various businesses. In total, Shell has about 11,500 granted patents and pending patent applications.

#### **Description of activities and principal markets**

Shell's reporting segments are Integrated Gas, Upstream, Downstream and Corporate. Upstream combines the operating segments Upstream (managed by Shell's Upstream organisation) and Oil Sands (managed by Shell's Downstream organisation) which have similar economic characteristics. Integrated Gas, Upstream and Downstream include their respective elements of Shell's Projects & Technology organisation. The Corporate segment comprises Shell's holdings and treasury organisation, self-insurance activities, and Shell's headquarters and central functions. Set out below is a summary description of the activities and principal markets of the businesses of the Shell Group.

## **Royal Dutch Shell plc and Shell International Finance B.V.**

### *Integrated Gas and New Energies*

Shell's Integrated Gas and New Energies organisation manages LNG activities and the conversion of natural gas into GTL fuels and other products, as well as its New Energies portfolio. Integrated Gas and New Energies includes natural gas exploration and extraction, when contractually linked to the production and transportation of LNG, and the operation of the upstream and midstream infrastructure necessary to deliver gas to market. It markets and trades natural gas, LNG, crude oil, electricity, carbon-emission rights and also markets and sells LNG as a fuel for heavy-duty vehicles and marine vessels.

### *Upstream*

Shell's Upstream organisation explores for and extracts crude oil, natural gas and natural gas liquids. It also markets and transports oil and gas, and operates the infrastructure necessary to deliver oil and gas to market.

### *Downstream*

Shell's Downstream organisation manages different Oil Products and Chemicals activities, which is part of an integrated value chain, including trading activities, that turns crude oil and other feedstocks into a range of products which are moved and marketed around the world for domestic, industrial and transport use. The products Shell sells include gasoline, diesel, heating oil, aviation fuel, marine fuel, biofuel, lubricants, bitumen and sulphur. In addition, Shell produces and sells petrochemicals for industrial use worldwide.

Shell's Downstream business also manages its oil sands mining operations, which extract bitumen from mined oil sands and converts this into synthetic crude oil.

### *Projects & Technology*

Shell's Projects & Technology organisation manages the delivery of Shell's major projects and drives research and innovation to develop new technology solutions. It provides technical services and technology capability for Shell's Integrated Gas, Upstream and Downstream activities. It is also responsible for providing functional leadership across Shell in the areas of safety and environment, contracting and procurement, wells activities and greenhouse gas management.

Shell's future hydrocarbon production depends on the delivery of large and integrated projects. Systematic management of lifecycle technical and non-technical risks is in place for each opportunity, with assurance and control activities embedded throughout the project lifecycle. Shell focuses on the cost-effective delivery of projects through quality commercial agreements, supply-chain management and construction and engineering productivity through effective planning and simplification of delivery processes. Development of Shell's employees' project management competencies is underpinned by project principles, standards and processes. A dedicated competence framework, training, standards and processes exist for various technical disciplines. In addition, Shell provides governance support for its non-operated ventures or projects.

### *Principal subsidiaries*

In 2005, Royal Dutch Shell became the single 100 per cent. parent company of Royal Dutch Petroleum Company and of Shell Transport and Trading Company plc, the two former public company parent companies of the Shell Group. After the unification, a series of restructuring transactions of the Group occurred in December 2005, which included the contribution of Shell Transport to Royal Dutch and the merger under Dutch law of Royal Dutch with its wholly-owned subsidiary, Shell Petroleum. As a result of the merger, Royal Dutch and the Royal Dutch shares ceased to exist and Shell Petroleum, the surviving company in the merger, became a 100 per cent. owned subsidiary of Royal Dutch Shell and Shell Transport a 100 per cent. subsidiary of Shell Petroleum.

Royal Dutch Shell is organised as a holding company and substantially all of its operations are carried on through subsidiaries of Royal Dutch Shell. Royal Dutch Shell's ability to meet its financial obligations is dependent on the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances and other payments.

## Royal Dutch Shell plc and Shell International Finance B.V.

### *Principal investments*

Capital Investment is expected to be in the range of \$25-\$30 billion each year until 2020. Shell sees \$30 billion as a ceiling, as Shell reduces debt following the acquisition of BG Group plc and meets its goals for shareholder distributions. The \$25 billion level reflects the expenditure Shell believes is needed to maintain medium-term growth; Shell can go below that level if warranted by oil prices. The final outcome in any given year will be determined by the pace of development and overall affordability considerations.

### *Reporting of reserves*

Proved reserves estimates are calculated pursuant to the US Securities and Exchange Commission ("**SEC**") Rules and the Financial Accounting Standard Board's Topic 932. Proved reserves can be either developed or undeveloped. The definitions used are in accordance with the SEC Rule 4-10 (a) of Regulation S-X. Shell includes proved reserves associated with future production that will be consumed in operations.

### *Selected Financial Data*

The selected financial data set out below in respect of the Shell Group is derived, in part, from the Consolidated Financial Statements for the financial year ended 31 December 2017 (the "**Consolidated Financial Statements**") and the Second Quarter 2018 Unaudited Condensed Consolidated Interim Financial Statements (the "**Q2 Report**"). The selected data should be read in conjunction with the Consolidated Financial Statements and related Notes, the Q2 Report and related Notes, as well as the Strategic Report in the Annual Report on Form 20-F of Royal Dutch Shell for the year ended 31 December 2017, incorporated by reference herein.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as adopted by the European Union. The Unaudited Condensed Consolidated Interim Financial Statements have been prepared on the basis of the same accounting principles as the Consolidated Financial Statements.

**Royal Dutch Shell plc and Shell International Finance B.V.**

	<b>June 30, Six months ended</b>		<b>December 31, 12 months ended</b>	
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
<b>Consolidated Statement of Income (U.S.\$ million)</b>				
Revenue	186,000	143,927	305,179	233,591
Income for the period	12,219	5,286	13,435	4,777
Income attributable to non-controlling interest	296	203	458	202
Income attributable to Royal Dutch Shell plc shareholders	<u>11,923</u>	<u>5,083</u>	<u>12,977</u>	<u>4,575</u>
<b>Earnings per share (U.S.\$)</b>				
Basic earnings per share	1.44	0.62	1.58	0.58
Diluted earnings per share	<u>1.42</u>	<u>0.62</u>	<u>1.56</u>	<u>0.58</u>
<b>Consolidated Balance Sheet (U.S.\$ million)</b>				
Total assets	407,234	410,785	407,097	411,275
Share capital	696	689	696	683
Equity attributable to Royal Dutch Shell plc shareholders	197,319	193,042	194,356	186,646
Non-controlling interest	<u>3,921</u>	<u>3,215</u>	<u>3,456</u>	<u>1,865</u>
<b>Capital investment (U.S.\$ million)</b>				
Capital expenditure:				
Integrated Gas	1,555	1,613	3,515	3,994
Upstream	5,361	5,943	11,389	12,710
Downstream	3,090	2,379	5,826	5,309
Corporate	58	31	115	103
Capital investment related to the acquisition of BG Group plc	-	-	-	52,904
Exploration expenses excluding exploration wells written off	317	388	1,048	1,274
Investments in joint ventures and associates	594	351	595	1,330
Finance leases	219	432	1,074	2,343
Other	<u>(240)</u>	<u>349</u>	<u>444</u>	<u>(90)</u>
Total capital investment	<u>10,954</u>	<u>11,486</u>	<u>24,006</u>	<u>79,877</u>
<b>Divestments:</b>				
Integrated Gas	2,009	34	3,077	352
Upstream	1,060	8,101	11,542	1,726
Downstream	721	1,348	2,703	2,889
Corporate	<u>-</u>	<u>18</u>	<u>18</u>	<u>17</u>
Total	<u>3,790</u>	<u>9,501</u>	<u>17,340</u>	<u>4,984</u>

**Royal Dutch Shell plc and Shell International Finance B.V.**

	<b>June 30, Six months ended</b>		<b>December 31, 12 months ended</b>	
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
<b>Other consolidated data (U.S.\$ million)</b>				
Cash flow from operating activities	18,927	20,793	35,650	20,615
Capital expenditure	(10,064)	(9,966)	(20,845)	(22,116)
Cash flow from investing activities	(4,220)	(3,452)	(8,029)	(30,963)
Dividends paid (excluding scrip dividend)	8,209	5,791	11,283	9,857
Cash flow from financing activities	(15,274)	(12,860)	(27,086)	(771)
Increase/(decrease) in cash and cash equivalents	(844)	4,862	1,182	(12,622)
<b>Segment Earnings (U.S.\$ million) <sup>(1)</sup></b>				
Integrated Gas	5,749	3,013	5,078	2,529
Upstream	2,948	(1,074)	1,551	(3,674)
Downstream	2,974	4,737	8,258	6,588
Corporate	(500)	(1,184)	(2,416)	(1,751)
Gearing ratio*	23.6 per cent.	25.8 per cent. <sup>(2)</sup>	24.8 per cent.	28.0 per cent.
Dividends declared - U.S.\$/share	0.94	0.94	1.88	1.88

\*Net debt as percentage of total capital (i.e. total equity plus net debt).

(1) Segment Earnings calculated on a current cost of supplies basis.

(2) With effect from 2018, the net debt calculation has been amended, gearing as previously published at 30 June 2017 was 25.3 per cent.

*Trend information*

Save as disclosed under the sections entitled "Risks related to Shell's business" under "Risk Factors" above on pages 8 to 14, the Shell Group is not aware of any other trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Obligors' prospects in the context of the issue of any Notes for the current financial year.

*Share capital*

The issued and fully paid up share capital of Royal Dutch Shell as at 30 June 2018 was:

	<b>Issued (number)</b>	<b>Issued (amount)</b>
Class A ordinary shares of €0.07 each	4,597,136,050	€321,799,523.50
Class B ordinary shares of €0.07 each	3,745,486,731	€262,184,071.17
Sterling deferred shares of £1 each	50,000	£50,000

Any future issue of additional "B" Shares will only be made after prior consultation with the Dutch Revenue Service.

Shell Finance has an authorised share capital consisting of 10,000 ordinary registered shares of €1,000 each of which 2,000 have been issued and paid up.

*Board of Directors*

The Directors of Royal Dutch Shell and their function, their respective business addresses and other principal activities are:

**Royal Dutch Shell plc and Shell International Finance B.V.**

<b>Name</b>	<b>Business Address</b>	<b>Function</b>	<b>Other principal activities</b>
Charles O. Holliday	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chair and Chair of the Nomination and Succession Committee	Presiding Director of HCA Holdings, Inc., Director of Deere & Company, member of the Critical Resource's Senior Advisory Panel and the Royal Academy of Engineering.
Gerard Kleisterlee	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Deputy Chair and Senior Independent Non- executive director and Chair of the Remuneration Committee <sup>(3)</sup>	Chairman of Vodafone Group plc and Chairman of the Supervisory Board of ASML Holding N.V.
Ben van Beurden	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chief Executive Officer	
Jessica Uhl	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chief Financial Officer	
Ann Godbehere	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director <sup>(4)</sup>	Non-executive Director of UBS AG and UBS Group AG, Senior Independent Director of Rio Tinto plc and Non-executive Director Rio Tinto Limited.
Euleen Goh	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director and Chair of the Audit Committee	Chairman of SATS Limited, a Non-executive Director of CapitaLand Limited, DBS Bank Limited and DBS Group Holdings Limited, Trustee of the Singapore Institute of International Affairs Endowment Fund and the Temasek Trust, Chairman of the Governing Council of the Singapore Institute of Management and a Non- executive Director of Singapore Health Services Pte Limited.
Catherine J. Hughes	Carel van Bylandtlaan 30,	Non-executive director <sup>(1)(2)</sup>	Non-executive Director of

**Royal Dutch Shell plc and Shell International Finance B.V.**

<b>Name</b>	<b>Business Address</b>	<b>Function</b>	<b>Other principal activities</b>
	2596 HR The Hague, The Netherlands		Precision Drilling Corp. and SNC-Lavalin Group Inc.
Roberto Setubal	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director <sup>(4)</sup>	Member of the board of the International Monetary Conference, the board of the Institute of International Finance, the International Advisory Committee of the Federal Reserve Bank of New York, the Economic and Social Development Council of the Presidency of Brazil, and the International Business Council of the World Economic Forum. He is also the President of the Fundação Itaú Social and a member of the Executive Committee of the Instituto Itaú Cultural.
Sir Nigel Sheinwald GCMG	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director and Chair of the Corporate and Social Responsibility Committee <sup>(1)</sup>	Non-executive Director of Invesco Limited and Raytheon UK, a Senior Adviser to the Universal Music Group and a Visiting Professor and Council Member of King's College, London.
Linda G. Stuntz	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director <sup>(2)(3)</sup>	Partner of the law firm Stuntz, Davis & Staffier, P.C. and Director of Edison International.
Gerrit Zalm	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director <sup>(1)(4)</sup>	Director of Moody's Corporation.

*(1) Member of the Remuneration Committee.*

*(2) Member of the Corporate and Social Responsibility Committee.*

*(3) Member of the Nomination and Succession Committee.*

*(4) Member of the Audit Committee.*

The Directors of Shell Finance and their function, their respective business addresses and other principal activities are:



## Royal Dutch Shell plc and Shell International Finance B.V.

Name	Business Address	Function	Other principal activities
Linda Szymanski	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Director	General Counsel Corporate and Company Secretary to board of Royal Dutch Shell
Alan McLean	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Director	Executive Vice President Tax & Corporate Structure
Peter van Driel	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Director	Vice President Accounting and Reporting
Russell O'Brien	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Director	Group Treasurer of the Shell Group

### *Conflicts of Interest*

Certain statutory duties with respect to directors' conflicts of interest are in force under the Companies Act 2006 (the "**Act**"). In accordance with the Act and the Articles, the Royal Dutch Shell Board may authorise any matter that otherwise may involve any of the Directors breaching their duty to avoid conflicts of interest. The Royal Dutch Shell Board has adopted a procedure to address these requirements. It includes the Directors completing detailed conflict of interest questionnaires. The matters disclosed in the questionnaires are reviewed by the Royal Dutch Shell Board and, if considered appropriate, authorised in accordance with the Act and the Articles. Conflicts of interest as well as any gifts and hospitality received by and provided by Directors are kept under review by the Royal Dutch Shell Board.

No Royal Dutch Shell director has any potential conflict of interest between their duties to Royal Dutch Shell and their private interests or other duties. Royal Dutch Shell is not aware of any persons who, directly or indirectly, jointly or severally, will exercise or could exercise control over Royal Dutch Shell.

No Shell Finance director has any potential conflict of interest between their duties to Shell Finance and their private or other duties.

### *Corporate governance*

The Royal Dutch Shell Board is committed to high standards of corporate governance which it believes to be a critical factor to the long-term success of Shell. The Board confirms that throughout the year ended 31 December 2017 Shell has applied the main principles and complied with the relevant provisions set out in the UK Corporate Governance Code issued by the Financial Reporting Council in April 2016. In addition to complying with applicable corporate governance requirements in the UK, Shell must follow the rules of Euronext Amsterdam as well as Dutch securities laws because of its listing on that exchange. Shell must likewise follow U.S. securities laws and the New York Stock Exchange ("**NYSE**") rules and regulations because its securities are registered in the USA and listed on the NYSE.

Shell Finance complies with the corporate governance regime of The Netherlands.

### *Audit Committee*

The key responsibilities of the Audit Committee are to assist the Board in fulfilling its oversight responsibilities in relation to: financial reporting; the effectiveness of the system of risk management and internal control; compliance with applicable external legal and regulatory requirements; monitoring the qualifications, expertise, resources and independence of both the internal and external auditors; and assessing the internal and external auditors' performance and effectiveness each year.

## **Royal Dutch Shell plc and Shell International Finance B.V.**

The Audit Committee keeps the Board informed of its activities and recommendations. Where the Audit Committee is not satisfied with, or if it considers that action or improvement is required concerning any aspect of financial reporting, risk management and internal control, compliance or audit-related activities, it promptly reports these concerns to the Board.

The Audit Committee covers a variety of topics in its meetings. These include both standing items that the Audit Committee considers as a matter of course, typically in relation to the quarterly unaudited financial statements, control issues, accounting policies and judgements and reporting matters, and a range of topics relevant to Shell's control framework. The Audit Committee invites the Chief Executive Officer, the Chief Financial Officer, the Legal Director, the Chief Internal Auditor, the Executive Vice President Controller, the Vice President Accounting and Reporting and the external auditor to attend each meeting. The Chair of the Board also regularly attends the meetings as an observer. Other members of management attend when requested. At every meeting, the Audit Committee holds private sessions separately with the external auditor and the Chief Internal Auditor without members of management, except for the Legal Director, being present.

The Audit Committee receives comprehensive reports from management and the internal and external auditors. In particular, it discusses with the Chief Financial Officer, the Executive Vice President Controller, the Vice President Accounting and Reporting and the external auditor issues that arise on accounting policies, practices and reporting, and reviews aggregated whistle-blowing reports, internal audit reports and analyses of financial reporting matters. The Audit Committee assesses the robustness of information risk management, including the monitoring of access controls, use of lightly managed applications, and the management of cyber threats and information security incidents generally. To inform its assessment, the Audit Committee receives updates on the status of information risk management from the Chief Information Officer to receive assurance on the appropriate levels of controls and activities undertaken. The Audit Committee also reviews assurances for: proved oil and gas reserves; discount rates used for financial reporting, particularly with respect to impairment testing; policy and procedures for the use of non-GAAP measures/alternative performance measures; changes related to the joint venture Nederlandse Aardolie Maatschappij B.V.'s earthquake-related provisions, considering the latest hazard and risk assessment study; and the effectiveness of financial controls. The Audit Committee discusses with the Chief Ethics and Compliance Officer the annual report on compliance matters, including regulatory developments and compliance risks.

The Audit Committee also discusses the Company's Annual Report and Accounts, half-year report and quarterly unaudited financial statements with management and the external auditor. The Audit Committee reviews, discusses and approves the internal audit function's annual audit plan. It also reviews the internal audit's performance self-assessment report focusing on impact of the audits, people, audit quality and compliance, and operational excellence. The Audit Committee assesses the effectiveness of the performance of the internal audit function. The Audit Committee also reviews, considers and approves the external audit plan (including the audit scope and materiality levels) and related remuneration to ensure that the level of fees allows an effective and high-quality audit to be conducted by the external auditor.

The Audit Committee also requests reports on matters that it deems appropriate, for example: accounting for retirement benefits; the impact of new accounting standards not yet adopted; ethics and compliance; litigation matters, including investigations by authorities in various countries relating to Shell's investment in Nigerian oil block OPL 245 and the 2011 settlement of litigation pertaining to that block; tax transparency; and new and impending regulatory requirements.

The members of the Audit Committee are Euleen Goh (Chair of the AC), Ann Godbehere, Roberto Setubal and Gerrit Zalm, all of whom are financially literate, independent, Non-executive Directors.

A copy of the Audit Committee's terms of reference is available from the Company Secretary and can be found on the Shell Group website at: [https://www.shell.com/investors/environmental-social-and-governance/board-of-directors/jcr\\_content/par/expandablelist/expandablesection\\_1684826537.stream/1517938101164/775eabec48b3d78432d008e38068c9aa55b4c07db5ac3b81635ff1893bd3d2c4/rds-plc-audit-committee-terms-of-reference-final.pdf](https://www.shell.com/investors/environmental-social-and-governance/board-of-directors/jcr_content/par/expandablelist/expandablesection_1684826537.stream/1517938101164/775eabec48b3d78432d008e38068c9aa55b4c07db5ac3b81635ff1893bd3d2c4/rds-plc-audit-committee-terms-of-reference-final.pdf)

Shell Finance does not have an audit committee and there is no requirement for it to have an audit committee.

## **Litigation Update**

### *General*

In the ordinary course of business, Shell subsidiaries are subject to a number of contingencies arising from litigation and claims brought by governmental, including tax authorities, and private parties. The operations and earnings of Shell subsidiaries continue, from time to time, to be affected to varying degrees by political, legislative, fiscal and regulatory developments, including those relating to the protection of the environment and indigenous groups in the countries in which they operate. The industries in which Shell subsidiaries are engaged are also subject to physical risks of various types.

The amounts claimed in relation to such events and, if such claims against Shell were successful, the costs of implementing the remedies sought in the various cases, could be substantial. Based on information available to date and taking into account that in some cases it is not practicable to estimate the possible magnitude or timing of any resultant payments, management believes that the foregoing are not expected to have a material adverse impact on Shell's Consolidated Financial Statements. However, there remains a high degree of uncertainty around these contingencies, as well as their potential effect on future operations, earnings, cash flows and Shell's financial condition.

### *Pesticide Litigation*

Shell Oil Company ("SOC"), along with other agricultural chemical pesticide manufacturers and distributors, has been sued by public and quasi-public water purveyors alleging responsibility for groundwater contamination caused by applications of chemical pesticides. Most of these lawsuits assert various theories of strict liability and seek to recover actual damages, including water well treatment and remediation costs. All of the lawsuits assert claims for punitive damages. There are approximately 35 such cases pending. Based on the claims asserted and SOC's track record with regard to amounts paid to resolve varying claims, management does not expect that the outcome of these lawsuits pending at 31 December 2017 will have a material adverse impact on Shell. However, there remains a high degree of uncertainty regarding the potential outcome of some of these pending lawsuits, as well as their potential effect on future operations, earnings, cash flows and Shell's financial condition.

### *Climate Change Litigation*

Municipalities in California and New York have filed ten lawsuits against oil and gas companies, including Royal Dutch Shell plc. The plaintiffs seek damages for claimed harm to their public and private infrastructure from rising sea levels allegedly due to climate change caused by the defendants' fossil fuel products. Management believes the outcome of these matters should be resolved in a manner favourable to Shell, however, there remains a high degree of uncertainty regarding the ultimate outcome of these lawsuits, as well as their potential effect on future operations, earnings, cash flows and Shell's financial condition.

### *Nigerian Litigation*

Shell subsidiaries and associates operating in Nigeria are parties to various environmental and contractual disputes brought in the courts of Nigeria, England and the Netherlands. These disputes are at different stages in litigation, including at the appellate stage, where judgements have been rendered against Shell entities. If taken at face value, the aggregate amount of these judgements could be seen as material. Management, however, believes that the outcomes of these matters will ultimately be resolved in a manner favourable to Shell. However, there remains a high degree of uncertainty regarding these cases, as well as their potential effect on future operations, earnings, cash flows and Shell's financial condition.

The authorities in various countries are investigating the investment by Shell Nigeria Exploration and Production Company Ltd. ("SNEPCo") in Nigerian oil block OPL 245 and the 2011 settlement of litigation pertaining to that block with regard to potential anti-bribery, anti-corruption and anti-money laundering laws. In March 2016, the Nigeria House of Representatives announced it was going to conduct a third investigation into OPL 245. SNEPCo sought and was granted an interlocutory injunction preventing the House from investigating SNEPCo, as such an investigation was ultra vires the powers of the House and the matter was sub-judice. On 2 July 2018, the court granted all the reliefs sought by SNEPCo, which included a declaration that the House does

## **Royal Dutch Shell plc and Shell International Finance B.V.**

not have powers to investigate the OPL 245 award and also a perpetual injunction to restrain the House from continuing with the investigations or compelling SNEPCo's participation in the investigations. On 27 January 2017, the Nigeria Federal High Court issued an Interim Order of Attachment for OPL 245, pending the conclusion of the investigation. SNECPo applied for and was granted a discharge of this order on constitutional and procedural grounds. Also in Nigeria, in March 2017, criminal charges alleging official corruption and conspiracy to commit official corruption were filed against SNEPCo, one current Shell employee and third parties including ENI SpA and one of its subsidiaries. Those proceedings are ongoing. In March 2017, parties alleging to be shareholders of Malabu Oil and Gas Company Ltd. filed two actions to challenge the 2011 settlement and the award of OPL 245 to SNECPo and an ENI SpA subsidiary by the Federal Government of Nigeria. Those proceedings are also ongoing. On 14 February 2017, Royal Dutch Shell received a notice of request for indictment from the Milan public prosecutor with respect to this matter. On 20 December 2017, Royal Dutch Shell, along with four former Shell employees, including one former executive, were remanded to trial in Milan. The trial started on 14 May 2018 and is ongoing. Based on Shell's review of the Milan prosecutor's file and all of the information and facts currently available to Shell, management does not believe that there is a basis to convict Shell or any former or current Shell employee. Investigations by authorities in other jurisdictions are ongoing. On 8 May 2018, a Nigerian civil society organisation, Human Environmental Development Agenda ("**HEDA**"), sought permission from the Federal High Court of Nigeria to apply for an order to direct the Attorney-General of the Federation to revoke OPL 245 on grounds that the entire Malabu transaction in relation to the OPL is unconstitutional, illegal and void, as it was obtained through fraudulent and corrupt practice. SNEPCo has taken steps to be added to the suit as an interested party in order to challenge the basis of the claim and clarify the wrongful assertions underpinning the claim. Those proceedings are ongoing.

However, there remains a high degree of uncertainty around these contingencies, as well as their potential effect on future operations, earnings, cash flows and Shell's financial condition. Accordingly, at this time, it is not practicable to estimate the magnitude and timing of any possible obligations or payments. Any violation of the US Foreign Corrupt Practices Act or other relevant anti-bribery, anti-corruption or anti-money laundering legislation could have a material adverse effect on Shell's earnings, cash flows and financial condition.

### **Business Update**

Update for the year ended 31 December 2017:

#### **INTEGRATED GAS**

Key portfolio events in 2017 included the following:

- In April, Shell signed an agreement with Nord Stream 2 AG to provide a long-term funding facility of €285 million and funds of up to €665 million to cover a combination of short- and long-term funding and guarantees for a pipeline project to run from Russia to Germany.
- In May, Shell acquired Centrica's interest in the North Coast Marine Area ("**NCMA**") block offshore Trinidad and Tobago, increasing Shell's interest from 45.88 per cent. to 63.19 per cent. In August, Shell acquired Chevron's interests in Trinidad and Tobago, which included increasing Shell's interest in the Shell-operated East Coast Marine Area ("**ECMA**") block from 50 per cent. to 100 per cent.
- In July, Shell Energy Australia began selling gas in the Australian domestic market.
- In September, Shell acquired MP2 Energy LLC ("**MP2**"), which provides market-based solutions to commercial and industrial customers for managing energy supply, load and generation throughout the eastern USA.
- In October, Shell acquired NewMotion, one of Europe's largest electric vehicle ("**EV**") charging providers.
- In December, Shell signed an agreement to buy First Utility, a leading independent UK household energy and broadband provider. The transaction was completed in February 2018.

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- In December, Shell signed a gas sales agreement between Arrow Energy Holdings Pty Limited ("**Arrow**") and Queensland Curtis LNG ("**QCLNG**"), both joint ventures in Australia in which Shell participates. Under the agreement, uncontracted gas from Arrow's Surat Basin fields would flow to the QCLNG venture, which would then both sell gas to local customers and export it through its gas plant on Curtis Island.

In January 2018, Shell announced an agreement to acquire a 43.83 per cent. interest in Silicon Ranch Corporation, a leading US developer, owner, and operator of solar assets. The transaction was completed in March 2018.

Shell achieved the following operational milestones in 2017:

- In March, Gorgon train 3, an LNG production unit located off Western Australia, started up.
- In June, Shell's Prelude floating liquefied natural gas ("**FLNG**") facility left the Samsung Heavy Industries shipyard in South Korea, marking a significant milestone for the project. Prelude FLNG arrived in Australian waters in July.

The Pearl GTL plant (Shell interest 100 per cent.) in Qatar operated at a reduced rate of production from December 2016, due to unforeseen maintenance required on the gasifier units, until a controlled shutdown on 1 February 2017. The Pearl GTL plant resumed full production in July 2017 after repairs to the gasifier units were completed.

Shell continued to divest selected assets during 2017, including the following:

- In Australia, Shell sold its 13.3 per cent. interest in Woodside.
- In New Zealand, Shell sold its 50 per cent. interest in the Kapuni gas field.

In Brazil, Shell executed an existing put option agreement to sell its 16.8 per cent. interest in Companhia de Gas de São Paulo ("**Comgás**") to Cosan S.A. Indústria e Comércio ("**Cosan**"). Shell exchanged its common shares in Comgás for Cosan shares plus cash. In September, Shell and KUFPEC agreed to cancel the January sale and purchase agreement for the sale of Shell's 22.2 per cent. interest in the Bongkot field and adjoining acreage offshore Thailand. Subsequently, in January 2018, Shell agreed to sell its interest to PTT Exploration & Production Public Company Limited ("**PTTEP**"), and the transaction was completed in June 2018.

In January 2018, Partners Group signed an agreement to join the Borssele III and IV offshore wind farm projects in the Netherlands, diluting its interest in the consortium from 40 per cent. to 20 per cent.

## UPSTREAM

Shell took the following key portfolio decisions in 2017:

- In February 2017, Shell took the final investment decision ("**FID**") to execute Phase 1 of the Kaikias deep-water project in the USA, and Phase 2 was approved in April 2017. Kaikias (Shell interest 80 per cent.) is a subsea tie-back to the Shell-operated Ursa platform. Phase 1 (three wells) and Phase 2 (one well) were successfully executed with first oil in May 2018. Collectively Phase 1 and Phase 2 are expected to reach a peak production of approximately 40 thousand boe/d.
- In December, Maersk Oil, as operator, announced FID for the redevelopment of the Tyra gas field (Shell interest 36.8 per cent.) in Denmark. When completed in 2022, peak production is expected to be around 60 thousand boe/d.

In January 2018, Shell announced the FID for the redevelopment of the Penguins oil and gas field (Shell interest 50 per cent.) in the UK North Sea. The decision authorises the construction of a floating production, storage and offloading ("**FPSO**") vessel, which is expected to have a peak production (100 per cent.) of around 45 thousand boe/d.

Shell achieved the following operational milestones in 2017:

## Royal Dutch Shell plc and Shell International Finance B.V.

- In Brazil, Shell announced first production at the Lula South deep-water development (Shell interest 100 per cent.) via FPSO P66 in the Brazilian pre-salt block of the Santos Basin.
- Also in Brazil, together with its partners, Shell won 35-year production-sharing contracts for three pre-salt exploration blocks in the Santos Basin. Two blocks are adjacent to the Gato do Mato field (Shell interest 80 per cent. as operator) and the non-Shell-operated Sapinhoá field (Shell interest 30 per cent.), where Shell is already present, and the third is Alto Cabo Frio West (Shell interest 55 per cent. as operator).
- Also in Brazil, together with its partners, Shell announced the start of production testing at the Libra field FPSO in the Santos Basin. Petrobras, the operator, announced that the Libra consortium (Shell interest 20 per cent.) had submitted the declaration of commerciality and signed a contract to charter the first production FPSO of the north-west block of Libra, now called Mero. The FPSO is expected to have a capacity of 180 thousand boe/d and production is scheduled to start in 2021.
- In Nigeria, Shell announced first production at Phase 2 of the Gbaran-Ubie integrated oil and gas development (Shell interest 30 per cent.) in the Niger Delta region. Expected peak production is around 175 thousand boe/d.
- In the UK, the non-Shell-operated Schiehallion redevelopment (Shell interest approximately 45 per cent.) reached first production.
- In the USA, Shell purchased the Turritella FPSO for the Stones deep-water development in the Gulf of Mexico. The FPSO has a daily production capacity of approximately 60 thousand barrels of oil and 15 million standard cubic feet of natural gas.

In January 2018, Shell won nine exploration blocks in the deep-water bidround in Mexico; four blocks on its own, four with partner Qatar Petroleum International Limited, and one with partner Pemex Exploración y Producción. The total area of these nine blocks is 18,996 square kilometres. Shell will be the operator of all nine blocks.

Also in January 2018, Shell announced one of its largest US Gulf of Mexico exploration finds in the past decade from the Whale deep-water well. Whale is operated by Shell (60 per cent.) and co-owned by Chevron U.S.A. Inc. (40 per cent.). It was discovered in the Alaminos Canyon Block 772, adjacent to the Shell-operated Silvertip field and approximately 16 kilometres from the Shell-operated Perdido platform. Evaluation of the discovery is ongoing.

Shell continued to divest selected assets during 2017, including the following:

- In Canada, Shell sold all of its in-situ and undeveloped oil sands interests and its 60 per cent. interest in the Athabasca Oil Sands Project ("AOSP"). Separately Shell acquired a 50 per cent. interest in MOCC, which holds a 20 per cent. interest in the AOSP.
- In the UK, Shell sold a package of North Sea assets in November. This consisted of its interests in the Buzzard, Beryl, Bressay, Elgin-Franklin, J-Area, Everest, Lomond and Erskine fields and the Greater Armada cluster, and a 10 per cent. interest in the Schiehallion field.
- In Gabon, Shell sold all of its onshore oil and gas operations and related infrastructure: five Shell-operated fields (Rabi, Toucan/Robin, Gamba/Ivinga, Koula/Damier, and Bende/M'Bassou/Totou), non-Shell-operated interests in the Atora, Avocette, Coucal, and Tsiengui West fields, and the associated infrastructure of the onshore pipeline system from Rabi to Gamba and the Gamba Southern export terminal.
- In the USA, Shell sold approximately 5,300 acres and associated producing assets in the East Haley area of the Delaware Permian Basin in West Texas.
- In Ireland, Shell reached an agreement with CPP Investment Board Europe S.A.R.L., a subsidiary of Canada Pension Plan Investment Board, to sell its 45 per cent. interest in the Corrib gas project. The

## Royal Dutch Shell plc and Shell International Finance B.V.

transaction, which represents Shell's exit from the upstream business in Ireland, is subject to partner and regulatory approval and is expected to conclude before year end 2018.

### DOWNSTREAM

Shell continued to divest selected assets during 2017, including the following:

- In the USA, the separation of assets, liabilities and businesses of the Motiva Enterprises LLC ("**Motiva**") joint venture, in which Shell held a 50 per cent. interest, took place (the "**Motiva transaction**"). Shell assumed sole ownership of the Norco and Convent refineries in Louisiana, 11 distribution terminals and Shell-branded markets in Alabama, Mississippi, Tennessee, Louisiana, a portion of the Florida panhandle and the north-eastern region of the USA, and received cash which was reported in divestments.
- Also in the USA, Shell issued 10.46 million new common units in Shell Midstream Partners, L.P., bringing the total common units issued and outstanding to 187.78 million.
- In Saudi Arabia, Shell sold its 50 per cent. share in the SADAF petrochemicals joint venture located in Al Jubail. The joint venture encompassed six petrochemical plants with a total output of more than 4 million tonnes per year. The sale marked an early termination of the joint venture agreement which was due to expire in 2020. Shell's other activities in the country are not impacted.
- Shell sold its 20 per cent. interest in Vivo Energy to Vitol Africa B.V. ("**Vitol**"). As part of the transaction, a long-term brand licence agreement was renewed with Vitol to ensure that the Shell brand will remain visible in more than 16 countries across Africa.
- The previously agreed sale of A/S Dansk Shell, which includes the Fredericia refinery and local trading and supply activities in Denmark, was cancelled.

*Update for the period 1 January 2018 to 30 June 2018:*

### INTEGRATED GAS

Divestments completed in the quarter amounted to \$1,995 million. These included the sale of Shell's interest in the Bongkot field and adjoining acreage offshore Thailand to PTT Exploration & Production and the sale of its 15 per cent. shareholding in Malaysia LNG Tiga Sdn Bhd to the Sarawak State Financial Secretary.

In July, Shell and its partners completed the dilution of interests in LNG Canada Development Inc. to Petronas. As a result of this transaction, Shell holds a 40 per cent. interest in LNG Canada Development Inc.

### UPSTREAM

During the second quarter 2018, Shell announced a large deep-water exploration discovery in the US Gulf of Mexico with its Dover well (Shell interest 100 per cent.). In July, Shell signed production-sharing contracts with the government of Mauritania for the exploration and potential future production of two offshore blocks (Shell interest 90 per cent.).

In May 2018, Shell announced the start of production of Kaikias Phase 1, a subsea development in the US Gulf of Mexico with estimated peak production of 40 thousand boe/d (Shell interest 80 per cent.). NAM's shareholders and the Dutch State signed a Heads of Agreement in June, which includes measures to support the ramp-down of production and to ensure the financial robustness of NAM. As part of the agreement, NAM's shareholders have agreed for NAM not to declare dividends for 2018 and 2019. In 2016 and 2017, dividends received by Shell from NAM totalled \$260 million and \$342 million respectively.

Divestments completed in the quarter amounted to \$486 million.

Also in June, Shell announced the sale of its entire 44.56 per cent. interest in Draugen and 12.00 per cent. interest in Gjøa in Norway to OKEA AS for \$556 million. Shell also sold its shares in Canadian Natural Resources Limited for \$3,307 million.

**Royal Dutch Shell plc and Shell International Finance B.V.**

*DOWNSTREAM*

*In May 2018, Shell and China National Offshore Oil Corporation ("CNOOC") announced the start-up of the second ethylene cracker at their Nanhai petrochemicals complex in Huizhou, Guangdong Province, China. The new cracker increases ethylene capacity at the complex by around 1.2 million tonnes per year (Shell interest 50 per cent.).*



# Taxation

## THE NETHERLANDS

The following is intended as general information only and it does not present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a Noteholder. For Dutch tax purposes, a Noteholder may include an individual or entity that does not have the legal title of the Notes, but to whom or to which, the Notes are or income from the Notes is, nevertheless attributed based either on such individual or entity owning a beneficial interest in the Notes or on specific statutory provisions. These include statutory provisions attributing Notes to an individual who is, or who has directly or indirectly inherited from a person who was, the settler, grantor or similar originator of a trust, foundation or similar entity that holds the Notes. Prospective Noteholders should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on the Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, including the tax rate applicable on that date, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

The Issuers have been advised that under Dutch tax law the following treatment will apply to the Notes.

For the purpose of this paragraph, "**Dutch Taxes**" shall mean taxes of any nature levied by or on behalf of The Netherlands or any of its subdivisions or taxing authorities or to the law governing such taxes, respectively. The Netherlands means the part of the Kingdom of The Netherlands located in Europe.

The statements below are based on the assumption that the Final Terms of any Series of Notes will not materially deviate from the Terms and Conditions as described in this Information Memorandum, in particular with regard to the Status of the Notes and the Guarantee.

### A. Withholding tax

Any payments made under the Notes will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

### B. Taxes on income and capital gains

This section does not describe the possible Dutch tax considerations or consequences that may be relevant to a Noteholder:

- (i) who is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities, the income from which is taxable in the Netherlands;
- (ii) that is an entity which is, pursuant to the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) ("**CITA**") not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as a qualifying pension fund);
- (iii) that is an investment institution (*beleggingsinstelling*) as described in Section 6a or 28 CITA; or
- (iv) that is a corporate entity and a resident of Aruba, Curacao or Saint Martin having an enterprise which is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in Bonaire, Sint Eustatius or Saba, to which the Notes are attributable.

A Noteholder will not be subject to any Dutch Taxes on any payment made to the Noteholder under the Notes or on any capital gain made by the Noteholder from the disposal, or deemed disposal, or redemption of, Notes, except if:

- (i) the Noteholder is, or is deemed to be, resident in The Netherlands for Dutch (corporate) income tax purposes; or
- (ii) the Noteholder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise, other than as an entrepreneur or a

## Taxation

shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands, to which permanent establishment or permanent representative the Notes are attributable; or

- (iii) the Noteholder is an individual and has a substantial interest (*aanmerkelijk belang*), or a fictitious substantial interest (*fictief aanmerkelijk belang*), in the Issuer or derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in The Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or
- (iv) the Noteholder is not an individual and (a) the Noteholder has a substantial interest, or a fictitious substantial interest, in the Issuer, (b) which (fictitious) substantial interest is held with the main purpose, or one of the main purposes, of avoiding that another individual is subject to income tax and (c) there is an artificial arrangement or transaction (or a series of arrangements to achieve such purpose);
- (v) the Noteholder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of the holding of securities, which is effectively managed in The Netherlands and to which enterprise the Notes are attributable; or
- (vi) the Noteholder is an individual and is entitled to a share in the profits of an enterprise, other than by way of securities, which is effectively managed in The Netherlands and to which enterprise the Notes are attributable.

Generally, a Noteholder has a substantial interest if such Noteholder, alone or together with his partner, directly or indirectly:

- (i) owns, or holds certain rights on, shares representing five per cent. or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer;
- (ii) holds rights to, directly or indirectly, acquire shares, whether or not already issued, representing, directly or indirectly, five per cent. or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer; or
- (iii) owns, or holds certain rights on, profit participating certificates that relate to five per cent. or more of the annual profit of the Issuer or to five per cent. or more of the liquidation proceeds of the Issuer.

A Noteholder who has the ownership of shares of the Issuer, will also have a substantial interest if his partner or one of certain relatives of the Noteholder or of his partner has a (fictitious) substantial interest. If a Noteholder who has a substantial interest in the Issuer holds other shares in the Issuer, including shares of a different class, or holds profit-sharing certificates of the Issuer, these will also become part of the substantial interest of the Noteholder.

Generally, a Noteholder has a fictitious substantial interest if, without having an actual substantial interest in the Issuer:

- (i) an enterprise has been contributed to the Issuer in exchange for shares on an elective non-recognition basis;
- (ii) the shares have been obtained under inheritance law or matrimonial law, on a non-recognition basis, while the disposing shareholder had a substantial interest in the Issuer;
- (iii) the shares have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, while the Noteholder prior to this transaction had a substantial interest in an entity that was party to that transaction; or

## **Taxation**

- (iv) the shares held by the Noteholder, prior to dilution, qualified as a substantial interest and, by election, no gain was recognised upon disqualification of these shares.

### **C. Gift tax or inheritance tax**

No Dutch gift tax or inheritance tax is due in respect of any gift of Notes by, or inheritance of Notes on the death of, a Noteholder, except if:

- (i) at the time of the gift or death of the Noteholder, the Noteholder is resident, or is deemed to be resident, in The Netherlands; or
- (ii) the Noteholder passes away within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or is deemed to be, at the time of his death, resident in The Netherlands; or
- (iii) the gift of the Notes is made under a condition precedent and the Noteholder is resident, or is deemed to be resident, in The Netherlands at the time the condition is fulfilled.

### **D. Other taxes**

No other Dutch Taxes, including turnover tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a Noteholder by reason only of the issue, acquisition or transfer of the Notes.

### **E. Residency**

Subject to the exceptions above, a Noteholder will not become resident, or deemed resident, in The Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal, of the Notes.

## **THE UNITED KINGDOM**

The following is a summary of the Issuers' understanding of current United Kingdom law and HM Revenue & Customs ("HMRC") published practice relating only to United Kingdom withholding taxation treatment at the date hereof in relation to payments of interest in respect of the Notes. The comments do not deal with any other United Kingdom tax implications of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who are in any doubt as to their tax position should consult their professional advisers.

### **A. Payments of interest by an Issuer**

Payments of interest on the Notes that do not have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax. If interest paid on the Notes does have a United Kingdom source, then payments may be made without deduction or withholding on account of United Kingdom income tax in the following circumstances.

Payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" as defined in Section 1005 of the Income Tax Act 2007. The London Stock Exchange is such a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and

## Taxation

in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that Notes carry a right to interest and are and remain so listed, payments of interest by an Issuer on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Notes paid by an Issuer may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to an Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### B. Payments by Guarantor

If Royal Dutch Shell (as Guarantor) makes any payments in respect of interest on the Notes (or other amounts due under the relevant Notes other than the repayment of amounts subscribed for the Notes) the payments may be regarded as having a United Kingdom source. Such payments by Royal Dutch Shell may not be eligible for the exemptions described at A above and therefore such payments may be subject to withholding on account of United Kingdom tax at the basic rate (currently 20 per cent.) subject to any direction to the contrary by HMRC under the provisions of any applicable double taxation treaty or any other relief that may apply.

### C. Other Rules Relating to United Kingdom Withholding Tax

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will generally not be subject to any withholding on account of United Kingdom tax pursuant to the provisions mentioned in A above.
2. Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to withholding on account of United Kingdom tax in certain circumstances, as set out in A above.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to "**interest**" and "**principal**" in this summary of the United Kingdom withholding tax position mean "**interest**" and "**principal**" as understood in United Kingdom tax law. The statements in this summary do not take any account of any different definitions of "**interest**" or "**principal**" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.
5. This summary description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 16 of the Notes and does not consider the tax consequences of any such substitution.

## THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

## Taxation

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

### **FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuers may be foreign financial institutions for these purposes. A number of jurisdictions (including The Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described in Condition 12 of the terms and conditions of the Notes) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## Subscription and Sale

Subject to the terms and conditions in an amended and restated Dealer Agreement dated 3 August 2018 between Shell Finance, Royal Dutch Shell, the Dealers and the Arranger (as modified and/or supplemented and/or restated from time to time, the "**Dealer Agreement**"), Notes may be offered on a continuous basis by each Issuer to the Dealers. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers. The Dealer Agreement provides that the obligation of any Dealer to subscribe for Notes under any such agreement is subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligations under any such agreement prior to the issue of the relevant Notes.

Shell Finance and Royal Dutch Shell have agreed to indemnify the Dealers, on a joint and several basis, against certain liabilities in connection with the offer and sale of Notes.

### THE UNITED STATES OF AMERICA

#### Regulation S Category 2

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. federal tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Where the D Rules are specified in the Final Terms, or Pricing Supplement as the case may be, as being applicable in relation to any Tranche of Notes, the following legend will appear on all Notes (other than Temporary Global Notes) and on all Coupons and Talons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of all the Notes of the Tranche of which such Notes are a part as determined, and certified to the Agent or the relevant Issuer, by such Dealer (or in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, or, in the case of a syndicated issue, the relevant lead manager in which case the Agent or the relevant Issuer shall notify such Dealer when all such Dealers have, or the lead manager has, as the case may be, so certified) only in accordance with Rule 903 of Regulation S under the Securities Act, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act, and it will have sent to each dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## Subscription and Sale

### THE UNITED KINGDOM

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) *Commercial paper*: in relation to any Notes which have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or whom it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) *Investment advertisements*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to either Obligor; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### THE NETHERLANDS

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied with and will comply with the requirements under the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) that Zero Coupon Notes in definitive form of any Issuer and other Notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act may only be transferred or accepted through the intermediary of either the relevant Issuer or a Member of Euronext Amsterdam N.V. and with due observance of the Dutch Savings Certificates Act (including registration requirements), except in the case of (i) the initial issue of such Notes to the first holders thereof, (ii) any transfer and acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) any transfer or acceptance of such Notes, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall include in:

- (a) any offer of Notes to the public in The Netherlands other than an offer:
  - (i) in respect of which a prospectus (and any supplement if required) approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**") (or, where appropriate, by the competent authority in another EEA Member State which has implemented the Prospectus Directive and notified to the AFM in accordance with the Prospectus Directive) has been made generally available; or
  - (ii) only to qualified investors as defined in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*); and
- (b) any advertisement relating to such an offer, and any document in which the prospect of such offer is held out;  
that:
  - (A) no prospectus approved by the AFM has been or will be made generally available; and
  - (B) such offer is not supervised by the AFM;in such manner as prescribed by the AFM from time to time.

## Subscription and Sale

### BELGIUM

This Information Memorandum has not been, and is not expected to be, submitted for approval to the Belgian Financial Services and Markets Authority (FSMA) as a prospectus relating to Notes with a maturity of less than 12 months qualifying as money market instruments within the meaning of the Belgian Prospectus Act (as defined below) (and which therefore fall outside the scope of the Prospectus Directive). Accordingly, no action will be taken, and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action that would be characterised as a public offering of such Notes in Belgium in accordance with the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time (the "**Belgian Prospectus Act**").

The Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

### FRANCE

Each Obligor and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) *Offer to the public in France:*

It has only offered and will only offer Notes to the public in France in the period beginning on the date of publication of the Final Terms relating to Notes and ending at the latest on the date which is 12 months after the date of the visa of the *Autorité des marchés financiers* ("**AMF**") on this Information Memorandum, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and in each case (iii) when the formalities required by French laws and regulations have been carried out; or

(b) *Private placement in France:*

It has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Information Memorandum, the relevant Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1, and D.411-4 of the French *Code monétaire et financier*.

This Information Memorandum prepared in connection with the Notes has not been submitted to the clearance procedures of the AMF.

### PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information



## Subscription and Sale

Memorandum as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

## HONG KONG

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are "**structured products**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**")) other than (i) to "**professional investors**" within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to any Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance.

## JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## THE PEOPLE'S REPUBLIC OF CHINA

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered and will not offer, sell or deliver any of the Notes in the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) except as permitted by the securities laws of the People's Republic of China.

## **Subscription and Sale**

### **GENERAL**

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Subscription Agreement or Dealer Accession Letter, as appropriate.

No action has been taken in any jurisdiction that would permit a public offering of any Notes, or possession or distribution of this Information Memorandum or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable laws, regulations and directives in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Information Memorandum, any other offering material or any Final Terms and none of the Obligors and any other Dealer shall have responsibility therefor.

## General Information

1. The listing of the Programme in respect of Notes is expected to be granted on or about 3 August 2018. Application has been made to the UK Listing Authority for Notes other than Exempt Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the Official List and to be admitted to trading on the London Stock Exchange's regulated market.

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.

2. Each Obligor has obtained all internal necessary consents, approvals and authorisations in the United Kingdom and The Netherlands in connection with the issue and performance of Notes and the Guarantee. The update of the Programme and the issue of Notes were authorised by resolutions of the Board of Directors of Shell Finance passed on 25 May 2009 and 22 December 2011 and a resolution of the Board of Directors of Royal Dutch Shell passed on 20 May 2009. The giving of the Guarantee by Royal Dutch Shell was authorised by a resolution of the Board of Directors of Royal Dutch Shell passed on 20 May 2009.
3. The LEI number of Royal Dutch Shell plc is 21380068P1DRHJM8KU70 and the LEI number of Shell International Finance B.V. is 213800ITMMKU4Z714F78.
4. Each Note, Coupon and Talon relating to Notes which have an original maturity of more than one year days will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
5. Save as disclosed under "Royal Dutch Shell plc and Shell International Finance B.V. - Litigation Update - Pesticide Litigation", "Royal Dutch Shell plc and Shell International Finance B.V. - Litigation Update – Climate Change Litigation" and "Royal Dutch Shell plc and Shell International Finance B.V. - Litigation Update - Nigerian Litigation" on page 83 and "Risk Factors – Risks related to Shell's business" there are no, nor have there been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Obligors are aware) in the 12 months preceding the date of this document, which may have, or have had in such period, a significant effect on the financial position or profitability of Shell Finance, Royal Dutch Shell or Royal Dutch Shell and its subsidiaries taken as a whole.
6. There has been no material adverse change in the prospects of Royal Dutch Shell, Shell Finance or Royal Dutch Shell and its subsidiaries taken as a whole since 31 December 2017, there has been no significant change in the financial or trading position of Royal Dutch Shell or Royal Dutch Shell and its subsidiaries taken as a whole since 30 June 2018 and there has been no significant change in the financial or trading position of Shell Finance since 31 December 2017.
7. The Consolidated Financial Statements of Royal Dutch Shell for the financial year ended 31 December 2017 and for the financial year ended 31 December 2016 have, in each case, been audited, without qualification, by Ernst & Young LLP of 1 More London Place, London SE1 2AF. The Condensed Consolidated Interim Financial Statements of Royal Dutch Shell in the half-yearly financial report for the six months ended 30 June 2018 and for the six months ended 30 June 2017 have, in each case, been reviewed by Ernst & Young LLP of 1 More London Place, London SE1 2AF.
8. Royal Dutch Shell was incorporated in February 2002. The financial information relating to Royal Dutch Shell included in this document does not constitute its statutory accounts for any of the periods presented. The statutory accounts of Royal Dutch Shell for the 12-month period ended 31 December 2016 and for the 12-month period ended 31 December 2017 have, in each case, been delivered to the Registrar of Companies. Ernst & Young LLP have issued an audit report under Section 235 of the Companies Act in respect of the accounts for the 12-month period ended 31 December 2017 and for the

## General Information

12-month period ended 31 December 2016. Each audit report was unqualified and did not include any statements made under Section 237(2) or (3) of the Companies Act.

The financial statements of Shell Finance for the financial year ended 31 December 2017 and for the financial year ended 31 December 2016 have, in each case, been audited, without qualification, by Ernst & Young Accountants LLP. The partners signing the auditors' reports are members of the Dutch Institute for Chartered Accountants (NIVRA).

The auditors of the Obligors have no material interest in the Obligors.

9. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes).

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

10. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
11. Neither Obligor intends to provide any post-issuance information in relation to any issues of Notes.
12. For a period of 12 months following the date of this Information Memorandum, copies of the following documents (together with an English translation, where relevant) will when published be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the office of each of the Obligors and the Agent:
- (i) the Agency Agreement (as amended, supplemented and/or restated from time to time);
  - (ii) the Trust Deed (as amended, supplemented and/or restated from time to time) (which includes the form of the Global Notes, the Definitive Notes, the Coupons and the Talons);
  - (iii) the constitutional documents of each of the Obligors; and
  - (iv) this Information Memorandum, any supplement to this Information Memorandum and any documents incorporated by reference in this Information Memorandum from time to time and each Final Terms (save that any Pricing Supplement relating to Exempt Notes will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the Obligors and the Agent as to its holding of Notes and identity).
13. The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

In addition, copies of this Information Memorandum, any supplement to this Information Memorandum, any documents incorporated by reference in this Information Memorandum from time to time and each Final Terms relating to Notes which are admitted to trading on the London Stock Exchange's regulated market will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Final Terms relating to Notes which are either admitted to trading on a regulated market within the EEA other than the London Stock Exchange's regulated market or offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive will be published in accordance with Article 14 of the Prospectus Directive.

## General Information

14. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Obligors and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Obligors or the Obligors' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Obligors routinely hedge their credit exposure to the Obligor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Shell International Finance B.V.**

Carel van Bylandtlaan 30  
2596 HR The Hague

**Royal Dutch Shell plc**

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Carel van Bylandtlaan 30  
2596 HR The Hague

(Registered Office)  
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**ARRANGER**

**BNP Paribas**

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**SMBC Nikko Capital Markets Limited**

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United Kingdom

**Wells Fargo Securities International Limited**

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**AGENT****Deutsche Bank AG, London Branch**

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## **PAYING AGENT**

### **Deutsche Bank Luxembourg S.A.**

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*To Shell International Finance B.V.*

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*To Royal Dutch Shell plc*

Ernst & Young LLP

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## **LEGAL ADVISERS**

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