

1 SIMON HENRY, October 16th, 2006

01:46:25 2 only tell us which physical entity had made the
01:46:28 3 transaction, buying, selling, holding, so it was
01:46:31 4 up to my team to identify, to the best of our
01:46:36 5 extent, the best of our ability, to identify who
01:46:40 6 were the real decision-makers in any given
01:46:44 7 investment house.

01:46:47 8 BY MR. MACFALL:

01:46:47 9 Q Was your team able to quantify the
01:46:50 10 number of U.S. investors exercising
01:46:53 11 decision-making authority with respect to Royal
01:46:57 12 Dutch shares who purchased such shares on foreign
01:47:00 13 exchanges during your tenure?

01:47:03 14 MR. SMITH: Objection to form.

01:47:04 15 THE WITNESS: No, we were not, and to be
01:47:05 16 honest, we wouldn't care, because that's not how
01:47:08 17 we did things. We looked at major customers, who
01:47:12 18 makes the decision there. That's who we talked
01:47:14 19 to. We did not quantify it in the way that you
01:47:18 20 suggest. It was not a relevant issue for us.

01:47:24 21 BY MR. MACFALL:

01:47:25 22 Q We've discussed at some length the
01:47:30 23 dissemination of information surrounding the
01:47:33 24 issuance of the QRAs by Shell. Were there other
01:47:40 25 regular presentations made by Shell to the

1 SIMON HENRY, October 16th, 2006

01:47:44 2 financial markets during your tenure at IR?

01:47:51 3 A Yes, there were other regular
01:47:53 4 presentations. They were what I would -- several
01:48:02 5 different times. Firstly, from time to time we
01:48:05 6 would hold what we would call a Strategy
01:48:09 7 Presentation at a Group level, and that was,
01:48:13 8 before my time, always held in the December of
01:48:17 9 each year, and in 2001 we repeated that, so that
01:48:23 10 presentation included all members of the CMD and
01:48:28 11 was to discuss the whole of the Group's financial
01:48:30 12 strategy and business strategy and performance.
01:48:34 13 That was regular. I discontinued those in 2002.
01:48:37 14 We moved to a less regular but still frequent
01:48:41 15 update of Group strategy.

01:48:44 16 In addition, we held what we called
01:48:47 17 Business Strategy Presentations, which was to take
01:48:49 18 effectively one of the Operating Divisions -- EP,
01:48:52 19 Gas and Power, Oil Products -- and hold
01:48:56 20 presentations that were specific to that
01:48:58 21 Business's strategy and performance. Typically we
01:49:02 22 would do the large Businesses once every two
01:49:05 23 years, the small Businesses less frequently, or we
01:49:08 24 would include with the larger Business.

01:49:14 25 We would then accept invitations to

1 SIMON HENRY, October 16th, 2006
01:49:18 2 speak at conferences held by usually the equity
01:49:25 3 analysts at investment banks, banks such as
01:49:31 4 Merrill's, UBS, and Lehman's. Those conferences
01:49:40 5 would be held -- each bank would typically hold
01:49:45 6 one conference each year. Sometimes they held
01:49:48 7 two, one in Europe, one in the U.S., and we would
01:49:52 8 be invited to speak, and we would ask one of our
01:49:55 9 executives, senior executives, to present. And so
01:50:01 10 some of the conferences came to our annual --
01:50:04 11 Credit Suisse was always in July, Goldman Sachs
01:50:07 12 was always in January, so there was a regularity
01:50:09 13 around those presentations to groups of investors,
01:50:14 14 somewhere between sometimes 30, sometimes 300.
01:50:17 15 Depended on the host.
01:50:23 16 And we also had a running program of
01:50:29 17 what we would term "One-on-one Meetings,"
01:50:32 18 roadshows in different locations, such as Boston
01:50:35 19 or Geneva that I mentioned earlier, and we would
01:50:39 20 build -- we would visit every location at least
01:50:42 21 once per year, big locations twice, typically, and
01:50:46 22 we would build in some level of presentation,
01:50:48 23 maybe a lunch or a dinner or an event with analyst
01:50:53 24 societies in those towns or cities that we
01:50:55 25 visited. So there was a rolling program of

1 SIMON HENRY, October 16th, 2006

01:50:58 2 communication. Those are the basic components.

01:51:07 3 Q Now, with regard to the Group Strategy

01:51:09 4 Presentations, were you involved in those

01:51:16 5 presentations?

01:51:18 6 A Yes, I was.

01:51:19 7 Q And could you describe your role in that

01:51:21 8 process for me.

01:51:33 9 A It would be -- I was the focal point for

01:51:37 10 the presentation, and everything to be presented

01:51:40 11 came through me, but clearly I was working on

01:51:43 12 behalf of the Executive Team. So for a Group

01:51:47 13 Strategy Presentation, the main driver behind this

01:51:52 14 would be usually Sir Philip. The presentation

01:51:59 15 would be -- the aim or the purpose was to

01:52:03 16 communicate group strategy and performance in a

01:52:07 17 competitive light and clearly to help investors

01:52:12 18 understand better some of the strengths of the

01:52:15 19 Business.

01:52:16 20 So I would get a general steer from Phil

01:52:19 21 as to what elements he wanted to cover and what he

01:52:21 22 wanted to talk about. I discussed with Judy, I

01:52:26 23 discussed with the other Managing Directors, and I

01:52:30 24 would draft the presentation, the messages to go

01:52:34 25 with the presentation. My team would start to

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SIMON HENRY, October 16th, 2006

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work with the Businesses, and we'd put together

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the whole of the presentation, the briefing

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materials for the question-and-answer material.

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We would do the logistics. We would arrange

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invitations, arrange all the follow-up meetings,

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the one-on-one's that would typically follow. We

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would do all of the website communications and

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basically handle everything as a complete service

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to the CMD.

01:53:11 11

Q Who normally spoke at these Group

01:53:13 12

Strategy Presentations?

01:53:14 13

A Normally Phil would be the main speaker,

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and at a Group Strategy Presentation usually all

01:53:21 15

the other Managing Directors would also speak.

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They'd speak about their Business, and Judy would

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speak about the financial framework.

01:53:38 18

Q Where were these Strategy Presentations

01:53:40 19

conducted?

01:53:41 20

A We used to do two versions. The first

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one was always held in London, and usually we

01:53:50 22

followed up with a day later in New York.

01:53:59 23

Q Was that the practice during your tenure

01:54:02 24

at IR?

54:03 25

A Yes, it was the practice throughout my

1 SIMON HENRY, October 16th, 2006

01:54:06 2 tenure.

01:54:09 3 Q Why did the group conduct two Strategy
01:54:11 4 Presentations?

01:54:16 5 A Just to be clear, the content was the
01:54:18 6 same. We didn't have two strategies. The content
01:54:21 7 was always the same, and they were only 24 hours
01:54:24 8 apart. The reason for doing two was that we would
01:54:29 9 talk first to the London market, because that's
01:54:31 10 where the price was set, and we could attract
01:54:34 11 somewhere between 150 and 300 investors in London,
01:54:38 12 because we were attracting from a Continental
01:54:42 13 European market, and there was a significant
01:54:46 14 interest in the stock.

01:54:47 15 The reason then for going to the U.S.
01:54:49 16 was to give face-to-face opportunity for usually
01:54:53 17 around a hundred, maybe 70 to a hundred U.S.-based
01:54:57 18 investors, both sell side analysts and the buy
01:55:02 19 side investors, to get a chance to go face to
01:55:07 20 face, to ask questions, to meet and see the
01:55:09 21 Leadership Team, the Executive Team, because a
01:55:12 22 large part of an investment decision, we were well
01:55:15 23 aware, is the confidence that the investor has in
01:55:18 24 the management -- credibility of the Management
01:55:19 25 Team, and that can only be enhanced through

1 SIMON HENRY, October 16th, 2006

01:55:22 2 face-to-face contacts. So this was a chance once
01:55:25 3 a year or so for investors in -- the U.S. is a
01:55:29 4 very large investment market -- to get that
01:55:32 5 face-to-face contact.

01:55:40 6 Q With respect to the Group Strategy
01:55:41 7 Presentation that was conducted in the United
01:55:44 8 States, was it Shell's intent to increase
01:55:56 9 ownership in Shell by U.S. investors?

01:56:06 10 A It was always our intent to increase
01:56:08 11 demand for Shell's, either Shell Transport and
01:56:11 12 Trading or Royal Dutch shares, wherever that might
01:56:14 13 be, whether it be in the U.S. or Europe, and I
01:56:18 14 didn't really care whether they were from Europe
01:56:21 15 or the U.S., as long as there was demand. So an
01:56:25 16 increase in the U.S. percentage could also be
01:56:28 17 achieved by reducing the European percentage, so
01:56:31 18 that's not -- it wasn't just a matter of
01:56:33 19 increasing the U.S. percentage. I wanted overall
01:56:36 20 demand to increase, so obviously it was a
01:56:39 21 marketing attempt.

01:56:48 22 Q With regard to the format of the Group
01:56:49 23 Strategy Presentations, were prepared remarks
01:56:52 24 delivered by the Shell executives who addressed
01:56:55 25 the analysts and investors at those presentations?

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SIMON HENRY, October 16th, 2006

A Yes. They would usually do ten minutes each of prepared remarks.

Q Did Mr. Watts typically deliver prepared remarks at those Strategy Presentations?

A Yes, he did.

Q Were you involved in the preparation of the prepared remarks delivered by Mr. Watts?

A Yes, I was.

Q Could you describe for me your role in that process.

A Sometimes I would do a first draft, sometimes it would be one of my team, for Sir Philip, based on usually a briefing that Phil had given, and to take that draft usually through Judy back to Sir Phil for his views on whether it met his needs, and it was a iterative process usually whereby Phil would then take that to the rest of the CMD, share it so that they had the context of what Phil was saying to position what they were then going to say, and ultimately it would be approved by Phil and Judy.

Q Now, with regard to the preparation of the first draft, I believe you indicated that it would be predicated, in part, on the briefing

1 SIMON HENRY, October 16th, 2006

01:58:19 2 provided by Mr. Watts; is that correct?

01:58:21 3 A Yes.

01:58:26 4 MR. MORSE: Objection to form.

01:58:28 5 BY MR. MACFALL:

01:58:28 6 Q Could you describe to me what you mean
01:58:30 7 by the briefing provided by Mr. Watts.

01:58:32 8 A It would be either a discussion with
01:58:35 9 Phil, or on one occasion he drafted some notes,
01:58:42 10 some handwritten notes and said this is how I
01:58:46 11 would like for you to set it out, the key
01:58:48 12 messages. Now go away and bring me back a
01:58:52 13 finished article.

01:58:55 14 Q The discussions that took place with
01:58:56 15 Mr. Watts; were they discussions that you had with
01:58:59 16 him?

01:59:00 17 A Yes, they were.

01:59:01 18 Q Was anyone else involved in those
01:59:02 19 discussions?

01:59:04 20 A Sometimes Judy was involved, sometimes
01:59:07 21 one of my team would be involved, but that was,
01:59:11 22 that was mainly Phil, Judy and my team. Oh, Mary
01:59:18 23 Jo Jacobi from time to time.

01:59:22 24 Q During those discussions did you ever
01:59:24 25 make suggestions to Mr. Watts concerning what

1 SIMON HENRY, October 16th, 2006

01:59:28 2 topics should be addressed in the market?

01:59:32 3 A Regularly. That was my main
01:59:35 4 contribution.

01:59:39 5 Q What would you base those
01:59:41 6 recommendations or suggestions on?

01:59:51 7 A The analysts' reports on the industry,
01:59:55 8 on Shell, the questions we were receiving from
01:59:58 9 investors in the preceding few months, and what I
02:00:06 10 knew -- to the extent that I knew it -- about
02:00:10 11 Shell's future plans and performance expectations
02:00:13 12 and how they might compare competitively.

02:00:19 13 Q Now, with respect to that last
02:00:22 14 component, Shell's future plans, how is it that
02:00:24 15 you would ascertain that information?

02:00:28 16 A The Group Strategy Presentations were
02:00:31 17 usually in December or -- and when we moved it, we
02:00:34 18 moved it really to February or March, so this was
02:00:37 19 after the conclusion of the Group Business Plan.
02:00:41 20 At the end of the year, usually December, and
02:00:45 21 during the process leading up to the approval of
02:00:47 22 the Business Plan, I'd usually been involved in
02:00:51 23 commenting on the Business Plan and its
02:00:53 24 competitive positioning, particular in the period
00:56 25 from September to December, so I wouldn't

1 SIMON HENRY, October 16th, 2006

02:00:59 2 necessarily always have a full copy of the Plan,
02:01:02 3 but I was aware of the major -- particularly the
02:01:04 4 financial metrics, and -- that were included in
02:01:07 5 the Plan.

02:01:14 6 Q Did Mr. Watts normally adopt your
02:01:17 7 suggestions concerning the issues to be discussed
02:01:20 8 in the Strategy Presentations?

02:01:23 9 A We had what Sir Philip would have called
02:01:27 10 "robust discussions" from time to time, but we
02:01:30 11 usually came to some agreement on what was best.
02:01:34 12 Phil was good in listening to what the market was
02:01:42 13 saying.

02:01:46 14 Q Do you recall any instances when
02:01:47 15 Mr. Watts suggested that an issue be discussed
02:01:53 16 that you thought should not be discussed at a
02:01:56 17 Group Strategy Presentation?

02:02:10 18 A I don't remember a specific instance or
02:02:16 19 the content of the instance. I remember a lot of
02:02:18 20 discussions backwards and forwards, but they were
02:02:23 21 quite open, open-ended.

02:02:29 22 Q Approximately how far in advance of a
02:02:32 23 conduct of the Strategy Presentation would these
02:02:42 24 discussions occur?

02:43 25 A Usually start about three months. If it

1 SIMON HENRY, October 16th, 2006

02:02:50 2 were a December meeting, less, but if it were in
02:02:54 3 February, it would be three months to cope with
02:02:55 4 the holiday period and the quarter end period as
02:02:59 5 well.

02:03:04 6 Q Did Ms. Boynton normally speak at these
02:03:07 7 Group Strategy Presentations?

02:03:09 8 A Yes, she did.

02:03:10 9 Q Did she deliver prepared remarks also?

02:03:13 10 A Yes, she did.

02:03:14 11 Q Do you know who was involved in the
02:03:17 12 preparation of those prepared remarks of

02:03:20 13 Ms. Boynton?

02:03:21 14 A Identical process to Sir Philip. There
02:03:26 15 would be discussion with Judy about general,
02:03:30 16 general guidance about what she wanted to say, and
02:03:33 17 I or my team would draft it, and then we would
02:03:36 18 work with Judy to finalize it, then through
02:03:39 19 ultimately support from Sir Philip and the CMD.

02:03:49 20 Q Do you recall if you also raised market
02:03:52 21 concerns and questions with Ms. Boynton during
02:03:56 22 your discussions with her?

02:03:58 23 A Very much.

02:03:58 24 MR. SMITH: Objection to form.

03:59 25 THE WITNESS: Very much so. That was

1 SIMON HENRY, October 16th, 2006

02:04:01 2 again the prime -- the prime purpose of my
02:04:03 3 contribution was to say this is where the market
02:04:06 4 is and this is where we're positioned and some of
02:04:10 5 the issues you need to address.

02:04:16 6 BY MR. MACFALL:

02:04:17 7 Q I believe you indicated that other
02:04:19 8 Managing Directors also spoke at these Group
02:04:21 9 Strategy Presentations; is that correct?

02:04:23 10 A I did indicate that, yes.

02:04:27 11 Q Were these the Managing Directors for
02:04:30 12 each of the Shell Businesses?

02:04:33 13 A Yes, basically. Not all the period were
02:04:36 14 they directly responsible for the Business, but
02:04:41 15 typically the Managing Director responsible for
02:04:44 16 Oil Products, the Managing Director responsible
02:04:46 17 for Chemicals, the Managing Director responsible
02:04:49 18 for Gas and Power, and the Managing Director
02:04:51 19 responsible for Exploration & Production.

02:04:55 20 Q Now, with respect to each of those
02:04:56 21 Businesses, do you recall the specific individuals
02:04:59 22 who were the Managing Directors during your tenure
02:05:03 23 at IR?

02:05:06 24 A Just about -- which particular year,
02:05:08 25 though? Because it did change.

1 SIMON HENRY, October 16th, 2006

02:05:11 2 Q Okay, with regard to 2001.

02:05:14 3 A 2001, I believe Walter van der Vijver
02:05:21 4 was running EP, Paul Skinner for Oil Products,
02:05:33 5 Jeroon Vandaveer for Chemicals, and Harry Roels --
02:05:40 6 that's R-O-E-L-S -- for Gas and Power.

02:05:46 7 Q Now, with respect to EP, was Mr. van der
02:05:50 8 Vijver Managing Director throughout your tenure at
02:05:53 9 IR?

02:05:54 10 A Only from June 2001 until March 2004.

02:06:08 11 Q Did each of the -- withdrawn. Did the
02:06:13 12 Managing Directors who spoke at the Group Strategy
02:06:16 13 Presentations also deliver prepared statements?

02:06:19 14 A Yes, they did.

02:06:23 15 Q Could you describe the process by which
02:06:26 16 those prepared statements were prepared.

02:06:28 17 A For the Business Managing Directors, it
02:06:30 18 was slightly different, in that those speeches
02:06:33 19 were originated in the Businesses themselves. We
02:06:39 20 would have, from IR, have given guidance on "these
02:06:43 21 are the specific issues for the market or your
02:06:46 22 competitor position that we feel you should
02:06:49 23 address or talk about," but the actual origination
02:06:52 24 of the speech was in the Businesses themselves,
02:06:55 25 and we would perform a review or an editing

SIMON HENRY, October 16th, 2006

02:07:01 2 process rather than being the controller of the
02:07:05 3 content.

02:07:12 4 Q When you say that IR would apprise the
02:07:16 5 Business Managing Directors of market issues, who
02:07:19 6 was it that that was communicated to? Withdrawn.
02:07:26 7 Was there a particular person who was responsible
02:07:31 8 for acting as a liaison between Investor Relations
02:07:37 9 and the specific Business organizations?

02:07:40 10 A Yes. It varied from event to event, but
02:07:46 11 no, usually two or three levels. I would talk
02:07:52 12 directly to the Managing Director if appropriate.

02:07:58 13 A relatively senior individual in each Business
02:08:03 14 would be given the role of coordinating all the
02:08:04 15 activity in the Business, and we would have a more
02:08:08 16 junior individual who would deal with numbers and
02:08:10 17 facts and chasing information, so we had some
02:08:14 18 clear coordination points, and the senior
02:08:16 19 individual might be the head of Planning or it
02:08:19 20 might be the CFO or -- it just varied between
02:08:22 21 Businesses.

02:08:25 22 Q Now, with respect to market concerns and
02:08:27 23 issues, did you communicate those to the Managing
02:08:30 24 Directors of the Businesses directly?

08:33 25 MR. SMITH: Objection to form.

1 SIMON HENRY, October 16th, 2006

02:08:37 2 THE WITNESS: It was my role to do that
02:08:38 3 regularly, not just for the Group Strategy
02:08:41 4 Presentations, but yes, for Group Strategy
02:08:43 5 Presentations I would do that explicitly.

02:08:49 6 BY MR. MACFALL:

02:08:57 7 Q Were you actually involved in the review
02:08:59 8 of the drafts of the prepared statements that were
02:09:04 9 drafted for each of the Managing Directors for the
02:09:08 10 Businesses?

02:09:08 11 MR. SMITH: Is your question about each
02:09:12 12 Strategy Presentation?

02:09:14 13 MR. MACFALL: Let me rephrase that.

02:09:15 14 BY MR. MACFALL:

02:09:16 15 Q Did you actually review the prepared
02:09:19 16 statements that were delivered by the Managing
02:09:24 17 Directors of each of the Businesses?

02:09:28 18 A Yes, I did.

02:09:29 19 MR. SMITH: Objection to form.

02:09:31 20 BY MR. MACFALL:

02:09:32 21 Q Why did you review those prepared
02:09:34 22 statements?

02:09:38 23 A Several reasons. One was for
02:09:40 24 consistency of message across the different
02:09:43 25 speakers. Then there was consistency of message

1 SIMON HENRY, October 16th, 2006

02:09:49 2 across time for that given Business. And the
02:09:53 3 market has a long memory, so it was important that
02:09:56 4 there was some consistency from year to year in
02:09:58 5 what was talked about. I would review them for
02:10:03 6 whether I felt it was effective communication of
02:10:08 7 the right kind of messages. And lastly, I would
02:10:13 8 review them from a regulatory perspective as to
02:10:16 9 whether there were potentially any items or issues
02:10:20 10 that were to be of a material enough nature to --
02:10:23 11 and whatever disclosure regulation was
02:10:29 12 appropriate, as we were working in three different
02:10:32 13 markets -- as to whether there would be an issue.
02:10:34 14 When we had confirmed, that's what we wanted to
02:10:38 15 say, whether it would be a discloseable item and
02:10:42 16 therefore precipitate a Stock Exchange Release.

02:10:46 17 Q I believe that you said one of the
02:10:49 18 things you would review them for was to determine
02:10:51 19 whether or not it gave the right kind of message.
02:10:52 20 What is it that you mean by that?

02:11:03 21 A The group strategy would be -- for
02:11:05 22 example, when I came in, the communications was
02:11:11 23 around delivery of a road map which was a set of
02:11:15 24 targets or a strategy designed to deliver a set of
02:11:25 25 targets around return on capital, production

1 SIMON HENRY, October 16th, 2006

02:11:31 2 growth, cost reductions. If one of the Businesses
02:11:38 3 were -- was following a strategy or was giving a
02:11:45 4 message that was inconsistent with those being
02:11:48 5 high level important metrics for the Group, then I
02:11:50 6 would be helping people to align. There were also
02:12:01 7 issues around competitors as well. Quite often,
02:12:03 8 people were looking to communicate their
02:12:06 9 competitive position on a particular metric,
02:12:08 10 whether it be production or cost or sales volumes,
02:12:12 11 and we would have a role in terms of is that
02:12:16 12 really the message you want to give, can you
02:12:19 13 sustain that over a period of time. It's not just
02:12:23 14 enough for this presentation; it's got to last for
02:12:25 15 the next two or three years. So we had a wide
02:12:30 16 range of discussion basically.

02:12:45 17 Q With regard to the alignment of messages
02:12:47 18 with concern to return on capital and cost
02:12:51 19 reductions, do you have a recollection of any
02:12:55 20 specific instances where a Managing Business
02:12:57 21 Director's statement needed to be corrected
02:13:01 22 because it gave an inconsistent message?

02:13:10 23 MR. SMITH: Objection to form.

02:13:16 24 THE WITNESS: Not specific instance
13:18 25 necessarily around a Strategy Presentation, but

SIMON HENRY, October 16th, 2006

02:13:24 2 ultimately there were times when we were talking
02:13:28 3 about return on capital being associated with a
02:13:31 4 given oil price, and if the oil price that was
02:13:35 5 being assumed were to change based on a different
02:13:38 6 view of the world, what impact would that have on
02:13:42 7 return on capital at a given oil price, and I
02:13:47 8 recall having various discussions around does that
02:13:52 9 mean return on capital should go up or does it
02:13:55 10 stay the same, genuine discussions about the
02:13:59 11 linkage to the strategy of the company at the
02:14:01 12 investment levels, whether they should change and
02:14:03 13 whether -- and how that should be presented into
02:14:07 14 the market.

02:14:13 15 BY MR. MACFALL:

02:14:14 16 Q Do you remember who you had those
02:14:16 17 conversations with?

02:14:17 18 A That was the sort of conversation that
02:14:18 19 would typically be had with -- I remember talking
02:14:21 20 with Steven Hodge on the subject, and Judy Boynton
02:14:25 21 and obviously Sir Philip.

02:14:42 22 Q Now, with respect to regulatory
02:14:46 23 disclosure requirements, did those differ from
02:14:50 24 country to country?

14:52 25 MR. SMITH: Objection to form and

1 SIMON HENRY, October 16th, 2006

02:14:54 2 foundation.

02:14:58 3 THE WITNESS: Yes, they did differ.

02:15:03 4 BY MR. MACFALL:

02:15:04 5 Q Was, was it part of IR's function to
02:15:09 6 ensure compliance with those various regulatory
02:15:13 7 requirements?

02:15:14 8 A It was part of our function, but we were
02:15:16 9 not solely responsible within the organization for
02:15:20 10 that.

02:15:22 11 Q Who else was responsible?

02:15:24 12 A Ultimately the CMD were responsible for
02:15:28 13 disclosure, but we worked closely with the Company
02:15:32 14 Secretaries for each company, both Royal Dutch and
02:15:36 15 Shell Transport and Trading, for advice, and we
02:15:39 16 saw them as the -- as ultimately accountable for
02:15:43 17 public statements. So they gave the advice; we
02:15:46 18 had the content.

02:15:51 19 Q Were drafts of the various prepared
02:15:54 20 statements utilized by Mr. Watts, Ms. Boynton and
02:15:58 21 various Managing Directors at Group Strategy
02:16:01 22 Presentations run by the Company Secretaries?

02:16:07 23 A Do you mean did we share those drafts
02:16:08 24 with the Company Secretaries?

02:16:10 25 Q Yes.

1 SIMON HENRY, October 16th, 2006

02:16:15 2 A Not really in draft form. A final
02:16:22 3 version may be shared with them, but ultimately
02:16:25 4 what was, was shared with the Company Secretaries
02:16:29 5 was any text or information that would actually be
02:16:33 6 put out on a formal regulatory release, initially
02:16:40 7 through the London Stock Exchange and subsequently
02:16:43 8 filed as a 6-K in the U.S., typically, so any
02:16:47 9 regulatory release would need the support or
02:16:50 10 approval of the Company Secretary. Our role was
02:16:55 11 to highlight to the Company Secretaries when we
02:17:00 12 thought a release was required. So the whole of
02:17:05 13 the draft presentation was not part of the
02:17:08 14 regulatory release, and therefore it didn't
02:17:11 15 usually go to the Company Secretary. It would be
02:17:15 16 copied for information at a relatively late stage.

02:17:20 17 Q You stated previously that the address
02:17:26 18 by the Managing Directors of the various
02:17:28 19 Businesses were viewed in part to determine
02:17:30 20 whether or not a regulatory disclosure requirement
02:17:34 21 had been impacted. Were those prepared remarks --
02:17:41 22 specifically the Business Managing Directors'
02:17:45 23 prepared remarks -- forwarded for review to the
02:17:50 24 Company Secretaries?

02:17:54 25 A Not that I recall.

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SIMON HENRY, October 16th, 2006

Q Do you recall any specific instance where IR determined that a proposed statement in a Managing Director's draft of a prepared statement triggered a regulatory disclosure requirement?

MR. SMITH: Where IR determined that?

MR. MACFALL: Yeah.

MR. SMITH: Just to be careful, I'd like to admonish the witness that because the Company Secretaries are both legal counsel to the companies, that if responding to that question would cause you to reveal advice you received from company counsel, we should discuss that before you respond to the question.

THE WITNESS: Then we probably should discuss.

THE VIDEOGRAPHER: We are going off the record. The time is 2:19 p.m.

(Whereupon, a short recess was held.)

THE VIDEOGRAPHER: We are back on the record. The time is 2:29 p.m.

THE WITNESS: I believe the request was made, the specific instance, in which IR had identified the Stock Exchange Release may be required. The example that comes to mind was from

1 SIMON HENRY, October 16th, 2006

02:29:16 2 late July, early August 2001, around the event of
02:29:21 3 the Second Quarter Results Announcement where we
02:29:27 4 were in pretty early stages of the Business Plan
02:29:29 5 that year, and from what we could see in terms of
02:29:35 6 the early numbers we were getting out to the
02:29:40 7 Business Plan, the production growth target that
02:29:43 8 the company had in the market in the time, which
02:29:46 9 was for a five percent per year growth, was
02:29:51 10 looking challenging.

02:29:52 11 It was too soon for us to be able to say
02:29:56 12 what level of production growth the company could
02:29:58 13 deliver, but it was likely that the company would
02:30:03 14 not be able to deliver the five percent that they
02:30:06 15 had previously talked about. This was one issue
02:30:09 16 identified through IR as a possible disclosure
02:30:17 17 issue. We did take some advice, but what we
02:30:20 18 actually then did was make a Stock Exchange
02:30:24 19 Release on the morning of the Quarterly Results
02:30:26 20 Announcement with basically the words I've just
02:30:31 21 used, that meeting our production growth target
02:30:34 22 would be a challenge.

02:30:42 23 BY MR. MACFALL:

02:30:42 24 Q Now, when you say Shell made a Stock
03:04:44 25 Exchange Release, could you please explain to me

1 SIMON HENRY, October 16th, 2006

02:30:48 2 what it is you mean by that.

02:30:49 3 A It is a regulatory release onto the
02:30:54 4 London Stock Exchange done usually before the
02:30:57 5 market opened, that it was done through -- be on
02:31:03 6 Newswire and direct onto the London Stock Exchange
02:31:07 7 R&S system. And the reason for using this medium
02:31:12 8 of disclosure was then instant communication to
02:31:14 9 the whole of the investor base so that disclosure
02:31:17 10 to all investors with access to that system would
02:31:23 11 be equal and fair. We also simultaneously would
02:31:33 12 make a release on the Amsterdam Stock Exchange.

02:31:35 13 As these were usually made in a period when the
02:31:42 14 New York Stock Exchange was closed, I'm not sure
02:31:49 15 we made a separate announcement on the New York
02:31:51 16 Exchange, because the information was already in
02:31:54 17 the market from the London Exchange.

02:32:02 18 Q Do you recall if Shell made any other
02:32:03 19 efforts to disseminate that information in the
02:32:08 20 United States?

02:32:13 21 A That particular piece of information
02:32:16 22 would have been part of the presentation later
02:32:19 23 that day made by Philip Watts as the Chairman of
02:32:24 24 CMD, and that presentation was webcast globally,
02:32:25 25 so it would have been accessible by U.S.-based

SIMON HENRY, October 16th, 2006

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02:32:36 2 investors. And the presentation material and the
02:32:43 3 Quarterly Results Announcement, which included the
02:32:47 4 statement, were all made available on the Shell
02:32:49 5 website, so . . .

02:32:58 6 Q Do you know how long it was made
02:32:59 7 available on the Shell website?

02:33:04 8 A For Investor Relations presentations
02:33:06 9 it's probably still there. Certainly for several,
02:33:10 10 several years. I'm not sure if it goes back that
02:33:15 11 far.

02:33:16 12 Q Thank you.

02:33:33 13 Besides what you just described, did you
02:33:35 14 have any other responsibility concerning
02:33:40 15 compliance with regulatory requirements during
02:33:44 16 your tenure at IR?

02:33:51 17 A For -- I mentioned the QRA, which was a
02:33:55 18 regulatory document. For any announcement on a
02:34:01 19 major event or transaction -- for example, during
02:34:05 20 my time we acquired Pennzoil in the United States
02:34:10 21 and Enterprise Oil in the U.K., and they were
02:34:16 22 publicly quoted companies, so the acquisition was
02:34:20 23 a public transaction. So that clearly was
02:34:26 24 accompanied by a variety of regulatory releases,
02:34:33 25 usually in conjunction with the investment banks

1 SIMON HENRY, October 16th, 2006

02:34:36 2 acting for us in that circumstance, but
02:34:38 3 coordinated with, uh, with my team.

02:34:44 4 We would on say, for example, a major
02:34:47 5 investment decision, I think, if I remember
02:34:49 6 rightly, for Sakhalin and Qatar Gas to Liquids,
02:35:04 7 such large investment decisions, we would consider
02:35:07 8 a regulatory release. For the Group Strategy
02:35:14 9 Presentations we would typically do a regulatory
02:35:17 10 release. And then, of course, there are the
02:35:21 11 Annual Reports, in particular the U.K. Annual
02:35:26 12 Report, what was the Royal Dutch Annual Report,
02:35:29 13 and the 20-F filing in the United States.

02:35:33 14 For the 20-F filing, my team would
02:35:35 15 perform a role reviewing narrative, reviewing
02:35:41 16 numbers, again with this consistency check, but we
02:35:48 17 were not the prime source of that information.
02:35:52 18 That was provided by the Businesses or by the
02:35:54 19 Group Reporting Team, and the disclosure, the
02:35:58 20 overall disclosure on that document was not part
02:36:01 21 of my responsibility.

02:36:07 22 Q Did you have any responsibility for
02:36:08 23 disclosure requirements in the United States?

02:36:10 24 MR. SMITH: Objection to form.

02:36:15 25 THE WITNESS: Only for the content of

1 SIMON HENRY, October 16th, 2006

02:36:18 2 the 6-Ks that accompanied the Quarterly Results
02:36:25 3 Announcement or the events I just talked about.

02:36:32 4 BY MR. MACFALL:

02:36:33 5 Q Are you familiar with certain
02:36:35 6 legislation enacted in the United States known as
02:36:38 7 Sarbanes Oxley?

02:36:40 8 A Yes, I am familiar with Sarbanes Oxley,
02:36:43 9 Sections 302 and 404 in particular.

02:36:47 10 Q Did you have any responsibility in
02:36:48 11 connection with Shell's compliance with Sarbanes
02:36:51 12 Oxley?

02:36:53 13 MR. SMITH: Time frame? While he was in
02:36:55 14 IR?

02:36:57 15 MR. MACFALL: While he was in IR.

02:36:59 16 THE WITNESS: While I was in IR I had no
02:37:01 17 responsibility for Section 404. For Section 302
02:37:06 18 we moved to set up a Disclosure Committee for the
02:37:13 19 Royal Dutch/Shell Group, and I was a member of the
02:37:17 20 Disclosure Committee that followed the Sarbanes
02:37:23 21 Oxley Section 302 requirement on disclosure.

02:37:26 22 BY MR. MACFALL:

02:37:27 23 Q Do you recall when that committee was
02:37:28 24 created?

02:37:29 25 A I believe during 2003, but -- middle,

1 SIMON HENRY, October 16th, 2006

02:37:33 2 middle of 2003.

02:37:39 3 Q Who were the other members of that
02:37:41 4 committee?

02:37:42 5 MR. SMITH: At that time?

02:37:42 6 BY MR. MACFALL:

02:37:43 7 Q At that time.

02:37:44 8 A At the time? The Group Controller.

02:37:47 9 Q Tim Morrison?

02:37:51 10 A Mary Jo Jacobi, the head of Media

02:37:55 11 Relations, and Jyoti Munsiff, the Company

02:38:01 12 Secretary for Shell Transport and Trading, and I

02:38:06 13 believe Michiel Brandjes, the Company Secretary

02:38:10 14 for Royal Dutch Petroleum, the latter two, of

02:38:19 15 course, who were both lawyers.

02:38:22 16 Q With respect to the individuals you just

02:38:24 17 identified as the Secretaries for Shell and Royal

02:38:26 18 Dutch respectively, were those same individuals --

02:38:29 19 well, did those same individuals hold those

02:38:32 20 positions back in 2001 in connection with the

02:38:35 21 disclosure issue you previously testified about?

02:38:41 22 A Jyoti Munsiff did, but the Company

02:38:44 23 Secretary for Royal Dutch Petroleum at that time

02:38:46 24 was Rob van der Vlist.

02:39:00 25 Q Thank you.

1 SIMON HENRY, October 16th, 2006

02:39:02 2 Could you please briefly describe for me
02:39:04 3 what the duties and responsibilities of the
02:39:06 4 Disclosure Committee were at that time.

02:39:16 5 A Two, three things. To define the
02:39:18 6 disclosure control framework that was appropriate
02:39:22 7 for the Royal Dutch/Shell Group, who should do
02:39:25 8 what when; to review possible items or events or
02:39:34 9 pieces of information for disclosure, as to
02:39:37 10 whether and how they should be disclosed; and
02:39:40 11 finally to follow up any disclosure incidents
02:39:46 12 where items of information that entered the public
02:39:50 13 domain in an uncontrolled fashion.

02:40:08 14 Q With respect to the last of those
02:40:10 15 responsibilities, can you recall any specific
02:40:12 16 instance when information entered the public
02:40:15 17 domain in an uncontrolled fashion?

02:40:20 18 A Talking about any point in time?
02:40:21 19 Because it's easier to remember more recent
02:40:29 20 information.

02:40:29 21 MR. SMITH: When you were head of IR?

02:40:31 22 THE WITNESS: When I was head of IR?

02:40:31 23 BY MR. MACFALL:

02:40:32 24 Q Yes, during your tenure at IR.

02:40:34 25 A It's difficult to remember a specific

1 SIMON HENRY, October 16th, 2006

02:40:36 2 instance.

02:40:37 3 Q Let me reframe the question. It might
02:40:37 4 help a little bit. Do you remember any specific
02:40:39 5 instances that required action by the Disclosure
02:40:41 6 Committee?

02:40:44 7 A Not while I was a member of the
02:40:46 8 Disclosure Committee.

02:40:48 9 Q Do you recall any specific instances
02:40:49 10 that occurred subsequent to your tenure at IR?
02:40:54 11 Withdrawn. I'm sorry. Are you aware of any
02:40:57 12 specific instances that required action by the
02:41:02 13 Disclosure Committee after you left that
02:41:06 14 Committee?

02:41:07 15 A Yes.

02:41:08 16 Q Okay. And could you please briefly
02:41:10 17 describe for me the circumstances surrounding that
02:41:12 18 incident.

02:41:19 19 A A senior executive made a statement
02:41:23 20 about the intent to discuss a particular item with
02:41:30 21 the Securities and Exchange Commission. That
02:41:35 22 particular executive did not -- first of all, did
02:41:41 23 not know the facts, did not know what the intent
02:41:44 24 to discuss anything with the Securities and
02:41:46 25 Exchange Commission was, but he was a senior

1 SIMON HENRY, October 16th, 2006

02:41:51 2 enough executive to be quoted in the newspapers as
02:41:55 3 a result.

02:41:59 4 Q When did that incident occur?

02:42:01 5 A In the last month.

02:42:08 6 Q Who was the individual involved?

02:42:11 7 THE WITNESS: Do I need to identify for
02:42:12 8 this purpose?

02:42:18 9 MR. FERRARA: Is it a privileged
02:42:19 10 discussion with an attorney?

02:42:23 11 THE WITNESS: I haven't had any
02:42:25 12 discussion with an attorney.

02:42:26 13 MR. SMITH: Could we go off the record
02:42:28 14 and understand what his concern is.

02:42:30 15 MR. MACFALL: Yeah, that's fine.

02:42:33 16 THE VIDEOGRAPHER: We are going off the
02:42:33 17 record. The time is 2:43 p.m.

02:42:41 18 (Whereupon, a short recess was taken.)

02:47:43 19 THE VIDEOGRAPHER: We are back on the
02:47:44 20 record. The time is 2:48 p.m.

02:47:46 21 BY MR. MACFALL:

02:47:47 22 Q Mr. Henry, after a brief conversation
02:47:51 23 off the record, I'd actually like to reframe my
02:47:54 24 question for you and I'll reask it. Do you recall
02:47:59 25 any instances where unauthorized statements were

1 SIMON HENRY, October 16th, 2006

02:48:04 2 made that required Disclosure Committee action
02:48:09 3 that involved facts arising during the time period
02:48:14 4 1999 to 2004? Excuse me.

02:48:18 5 A No, I don't recall any.

02:48:28 6 Q How long were you a member of the
02:48:29 7 Sarbanes Oxley Disclosure Committee?

02:48:35 8 A From when it was constituted until
02:48:39 9 June 2004, give or take a week or two, when my
02:48:48 10 replacement as head of Group Investor Relations
02:48:52 11 replaced me.

02:48:53 12 Q And can you identify that individual for
02:48:55 13 me, please.

02:48:56 14 A The individual who replaced me was David
02:48:58 15 Lawrence.

02:49:13 16 Q During the tenure of your membership on
02:49:15 17 the Disclosure Committee, was there ever any
02:49:21 18 discussion in the Committee about the necessity of
02:49:26 19 disclosing information concerning proved reserves
02:49:29 20 at Shell?

02:49:36 21 A I don't actually recall discussing it at
02:49:38 22 the Disclosure Committee. Probably, if I did,
02:49:41 23 there were lawyers present in the Disclosure
02:49:43 24 Committee, so I'll probably need to take advice.

02:49:46 25 There was much discussion about disclosure that I

1 SIMON HENRY, October 16th, 2006

02:49:48 2 was aware of, rather than necessarily party to,
02:49:54 3 around the period December 2003, January 2004,
02:49:59 4 which did not necessarily pass through the
02:50:01 5 Disclosure Committee, because the members of that
02:50:03 6 Disclosure Committee were involved in the
02:50:05 7 discussions anyway.

02:50:13 8 Q Did that Disclosure Committee meet
02:50:15 9 regularly?

02:50:17 10 A Not that regularly. Initially the
02:50:19 11 re-meet was to set up the framework, the policy,
02:50:24 12 the procedures.

02:50:31 13 Q Was that -- I'm sorry.

02:50:33 14 A It would meet regularly ahead of a
02:50:36 15 regular event, such as the Quarterly Results, and
02:50:40 16 I don't recall whether that began during 2003 in
02:50:44 17 terms of the Q2 and Q3 results, but that would be
02:50:47 18 the regular meeting where the Disclosure Committee
02:50:50 19 would consider disclosure around quarterly
02:50:53 20 results.

02:51:01 21 Q Now, with respect to the framework for
02:51:03 22 disclosure that you described, was that
02:51:05 23 memorialized in a document or documents?

02:51:13 24 A There was two documents: Investor
02:51:14 25 Relations Policy and the, um, Disclosure Policy

SIMON HENRY, October 16th, 2006

02:51:21 2 and the Media Relations Protocol. It was then
02:51:28 3 called the Investor Relations Protocol which laid
02:51:31 4 out -- the Investor Relations Protocol laid out
02:51:34 5 what would constitute a discloseable event or
02:51:38 6 action and what should individuals do if they were
02:51:43 7 aware of such information, and how would it be
02:51:47 8 considered.

02:51:53 9 Q Is there a primary draftsman for the
02:51:56 10 Investor Relations Protocol?

02:52:00 11 A Gerard Paulides, who worked for me in
02:52:04 12 London.

02:52:06 13 Q I believe you stated earlier that Mr.
02:52:08 14 Paulides was Mr. Harrop's successor?

02:52:12 15 A That's correct, yes.

02:52:26 16 Q Did Mr. Paulides have any formal Shell
02:52:29 17 training in the requirements of Sarbanes Oxley, to
02:52:34 18 the best of your knowledge?

02:52:36 19 A Not at that point in time.

02:52:37 20 Q Did there come a point in time when he
02:52:39 21 did?

02:52:40 22 A He may well have had training in
02:52:42 23 Sarbanes Oxley 404 Section requirements. Since
02:52:46 24 then I don't know about Section 302.

02:53:00 25 Q Was a draft prepared by Mr. Paulides

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SIMON HENRY, October 16th, 2006

reviewed by the various members of the Disclosure
Committee?

A Yes, I believe it was.

Q Do you recall if you reviewed the
initial draft prepared by Mr. Paulides?

A I don't recall doing it, but it would
have had my name on it, so I believe I would have
reviewed it.

Q Do you have any recollection as to
whether or not the draft initially submitted by
Mr. Paulides was changed by the Disclosure
Committee and differed from the final version?

A No, I don't.

Q I'd like to just backtrack for a moment.
Something just triggered this. With respect to
the Thompson reports or surveys that were
commissioned by IR, were those surveys retained by
IR?

MR. SMITH: Objection to foundation.

THE WITNESS: Do you mean the documents
were kept on record?

BY MR. MACFALL:

Q Yes.

A I believe so.

1 SIMON HENRY, October 16th, 2006

02:54:33 2 Q Do you know if -- withdrawn. At the
02:54:37 3 time that you left Investor Relations, were those
02:54:40 4 documents still on file at Investor Relations?

02:54:44 5 MR. SMITH: Objection to form and lack
02:54:45 6 of foundation.

02:54:52 7 THE WITNESS: I'd have to admit I don't
02:54:54 8 know.

02:54:58 9 BY MR. MACFALL:

02:54:59 10 Q Did there come a time when Thompson's
02:55:02 11 stopped generating those reports during your
02:55:04 12 tenure at IR?

02:55:05 13 A Not during my IR.

02:55:14 14 MR. MACFALL: To the extent that
02:55:15 15 defendants have not already done so -- and I do
02:55:18 16 not believe that they have -- plaintiffs would
02:55:20 17 request that such reports that are still in the
02:55:22 18 possession, custody and control of defendants be
02:55:26 19 produced to plaintiffs.

02:55:29 20 MR. SMITH: I'll take your request under
02:55:32 21 advisement.

02:55:33 22 MR. MACFALL: Thank you.

02:55:38 23 BY MR. MACFALL:

02:55:39 24 Q Going back to the Group Strategy
55:40 25 Presentations, we have discussed the prepared

1 SIMON HENRY, October 16th, 2006

02:55:43 2 statements. Were there also -- excuse me.

02:55:47 3 Withdrawn. Was there also a Q&A session that was

02:55:54 4 conducted as part of that Group Strategy

02:55:55 5 Presentation?

02:55:56 6 A There would always be an open Q&A

02:56:01 7 session in any of the presentations.

02:56:04 8 Q Were sample or likely questions drafted

02:56:07 9 or prepared by IR for review by the speakers at

02:56:10 10 that presentation, at those presentations?

02:56:12 11 A Yes, they were.

02:56:23 12 Q Were you involved in the drafting of

02:56:25 13 those questions?

02:56:25 14 A Frequently, yes.

02:56:28 15 Q What was the basis of -- withdrawn. Did

02:56:44 16 you formulate those questions based on concerns

02:56:49 17 expressed in the market at that time?

02:56:52 18 A In part, yes.

02:56:56 19 Q Were there other factors that

02:57:01 20 contributed to the formulation of those questions?

02:57:09 21 A Our competitive positioning and our

02:57:15 22 knowledge of where our concerns were with

02:57:17 23 investors may not actually have been a recent

02:57:20 24 question from them, but we'd be looking back over

02:57:23 25 six, 12 months, maybe, as to what were the key,

1 SIMON HENRY, October 16th, 2006

02:57:26 2 the key things, the key areas that were of concern
02:57:30 3 and therefore most likely to be asked. We would
02:57:32 4 also be looking at recent events in the
02:57:35 5 industry -- oil price goes up, competitor has a
02:57:40 6 production issue, so -- government makes a
02:57:43 7 statement, so up-to-the-minute events as well, so
02:57:48 8 look back and also over the last 48 hours.

02:57:56 9 Q Were proposed answers to those questions
02:57:59 10 also prepared by IR?

02:58:00 11 A Yes, they were, although we did not
02:58:02 12 necessarily originate all of those. If they were
02:58:05 13 Business-specific, typically the answer would
02:58:08 14 originate in the Business, be reviewed and
02:58:12 15 commented on by IR in exactly the same way that
02:58:15 16 the prepared speech would be.

02:58:27 17 Q Were there rehearsal sessions with the
02:58:29 18 speakers at the Group Strategy Presentations in
02:58:31 19 connection with the Q&A sessions?

02:58:36 20 A For a Group Strategy Presentation,
02:58:36 21 usually, yes.

02:58:40 22 Q Did Mr. Watts participate in those
02:58:41 23 rehearsals?

02:58:43 24 A If there was a rehearsal, Sir Philip
02:58:46 25 would always participate.

1 SIMON HENRY, October 16th, 2006

02:58:48 2 Q Did Ms. Boynton participate?

02:58:51 3 A Similarly for Judy. Judy would always
02:58:54 4 participate if there were a rehearsal.

02:58:59 5 Q How about Mr. van der Vijver; did he
02:59:01 6 normally participate in rehearsals?

02:59:04 7 A Sometimes Mr. van der Vijver would joint
02:59:07 8 rehearsal.

02:59:08 9 Q Were there occasions when he did not
02:59:10 10 join the rehearsals?

02:59:12 11 A Yes, there were.

02:59:14 12 Q Was it more common for Mr. van der
02:59:17 13 Vijver to not participate in such rehearsals than
02:59:22 14 it was for him to participate?

02:59:29 15 A Difficult to say. Probably joined more
02:59:31 16 than he did not join.

02:59:36 17 Q Did Mr. van der Vijver ever indicate any
02:59:41 18 reason for his not participating?

02:59:43 19 A Not to me.

02:59:44 20 Q Are you aware if he ever communicated
02:59:46 21 his reasons to anyone else?

02:59:49 22 A No.

03:00:01 23 Q Mr. Henry, I'd just again like to
03:00:05 24 backtrack a moment. I apologize for this. With
03:00:08 25 respect to the Taylor Rafferty survey about which

1 SIMON HENRY, October 16th, 2006

03:00:13 2 you testified earlier today, do you recall if that
03:00:15 3 was maintained in the IR Department during your
03:00:20 4 tenure there?

03:00:27 5 A It would have been retained for a period
03:00:29 6 of time. Given that was a snapshot of a point in
03:00:33 7 time, I'm not sure how long it would have been
03:00:37 8 retained, and the survey was commissioned out of
03:00:41 9 the Netherlands, not out of London.

03:00:47 10 Q Do you know who it was that commissioned
03:00:51 11 that survey?

03:00:52 12 A I now remember the name of Bart van der
03:00:54 13 Steenstraten's predecessor. His name was Jan van
03:00:57 14 den Plas, and Jan dealt with Taylor Rafferty, but
03:00:59 15 at my request.

03:01:14 16 Q Even though that survey was commissioned
03:01:16 17 out of the Netherlands, do you recall if a copy of
03:01:19 18 it was maintained in London?

03:01:21 19 A We certainly had access to a copy, yes.
03:01:28 20 I don't recall how long it would have been
03:01:31 21 retained.

03:01:33 22 MR. MACFALL: Plaintiffs would also
03:01:35 23 request that the Taylor Rafferty survey be
03:01:42 24 produced. It's my understanding that it has not
03:01:44 25 been part of the production.

1 SIMON HENRY, October 16th, 2006

03:01:46 2 MR. SMITH: We'll take your request

03:01:48 3 under advisement.

03:01:51 4 MR. MACFALL: Thank you.

03:02:02 5 BY MR. MACFALL:

03:02:02 6 Q With regard to the Group Strategy

03:02:03 7 Presentation that was conducted in London, who was

03:02:08 8 responsible for determining who to invite as to

03:02:11 9 that presentation?

03:02:12 10 A Ultimately I was, but it was a

03:02:14 11 combination of either Mike or Gerard and Bart,

03:02:20 12 because it was the European and U.K. investor

03:02:26 13 community, so it was their invitation list, their

03:02:29 14 customer list, and I would -- it went out with my

03:02:33 15 name, but I didn't actually go through the list.

03:02:35 16 It was just our standard contact list.

03:02:39 17 Q Did you review the list before it was

03:02:41 18 disseminated?

03:02:43 19 A Not in any detail.

03:02:52 20 Q I believe you indicated that the

03:02:55 21 invitees would include analysts and investors; is

03:03:00 22 that correct?

03:03:01 23 A Correct, there were equity analysts and

03:03:03 24 investors, and there was no journalists or media.

03:16 25 Q Do you recall if anyone else attended

1 SIMON HENRY, October 16th, 2006

03:03:18 2 those London presentations?

03:03:23 3 A The only other people that I'm aware
03:03:25 4 attended were -- usually Shell executives who were
03:03:28 5 not part of the CMD would also attend, and it
03:03:31 6 would give an opportunity for mixing between
03:03:35 7 investors and Shell executives.

03:03:41 8 Q Do you recall if any analysts based in
03:03:45 9 the United States ever attended a Group Strategy
03:03:49 10 Presentation in London?

03:03:52 11 A I don't recall ever seeing one. There
03:03:57 12 was little point in them doing so, because they
03:04:00 13 were webcast from London, and they had an
03:04:03 14 opportunity the following day in New York to
03:04:06 15 follow up face to face. I can't think of one
03:04:09 16 actually attending in London.

03:04:14 17 Q I believe you indicated that the Group
03:04:17 18 Strategy Presentations were conducted in New York
03:04:19 19 the following day, typically; is that correct?

03:04:21 20 A The Group Strategy Presentation, yes,
03:04:24 21 and some, if not all, of the Business Strategy
03:04:26 22 Presentations were also followed up in New York.

03:04:31 23 Q Were the prepared statements that were
03:04:34 24 delivered at the New York presentations the same
03:04:36 25 as those that were given in the London

SIMON HENRY, October 16th, 2006

1
03:04:39 2 presentations?

03:04:39 3 A Usually exactly the same.

03:04:43 4 Q Am I correct that the Shell executives
03:04:47 5 who spoke at the London presentation would be the
03:04:49 6 same executives to speak at the New York
03:04:51 7 presentation?

03:04:53 8 A Usually, exactly. There's always a
03:04:56 9 possibility that maybe somebody couldn't make it,
03:04:58 10 but that was the intent. There may be one
03:05:01 11 instance where we had fewer people in New York and
03:05:03 12 somebody covered for them.

03:05:05 13 Q With respect to the individuals who were
03:05:07 14 invited to those presentations, who was
03:05:10 15 responsible for deciding who it was that Shell
03:05:14 16 invited?

03:05:16 17 A To the New York?

03:05:17 18 Q To the New York.

03:05:18 19 A David Sexton would use his contact list
03:05:21 20 for the North American market.

03:05:23 21 Q Did you review Mr. Sexton's list?

03:05:25 22 A The same way I reviewed the European,
03:05:28 23 which is not very closely, and I think the
03:05:31 24 invitations would have gone out with David's name
03:05:34 25 on them in North America.

1 SIMON HENRY, October 16th, 2006

03:05:39 2 Q Were analysts and investors also invited
03:05:42 3 to the New York presentation?

03:05:43 4 A Yes, they were.

03:05:44 5 Q Do you recall if members of the
03:05:46 6 financial media attended the New York
03:05:48 7 presentations?

03:05:50 8 A No, I don't.

03:05:54 9 Q No, you don't recall, or --

03:05:55 10 A I don't recall members of the financial
03:05:57 11 media. We tended to keep the two audiences
03:06:00 12 separate in principal.

03:06:04 13 Q Was the format for the presentation in
03:06:06 14 New York the same as the format for the
03:06:08 15 presentation in London?

03:06:09 16 A Yes, it was.

03:06:14 17 Q Approximately how long did those
03:06:16 18 presentations last? And I realize it varied.

03:06:19 19 A A Group Strategy Presentation would
03:06:21 20 typically be up to three hours, so two and a half
03:06:25 21 or three hours, with around an hour for the Q&A.

03:06:38 22 Q Were the same potential questions
03:06:44 23 utilized in connection with the London
03:06:46 24 presentations utilized in connection with the New
03:06:50 25 York presentations?

1 SIMON HENRY, October 16th, 2006

03:06:55 2 A Yes. There was only one briefing pack
03:07:00 3 of questions and answers. However, with the
03:07:05 4 benefit of 24 hours between presentations, on the
03:07:10 5 journey from Europe to the U.S. we would usually
03:07:14 6 brief the executives on how -- first of all, how
03:07:21 7 the market had received the presentation, how they
03:07:24 8 performed in Q&As, whether there were things that
03:07:28 9 were clearly not properly clarified to the market,
03:07:32 10 which you can tell if an investor asked the same
03:07:35 11 question twice. And we would do briefings and
03:07:37 12 updates to help them and say if you get an
03:07:42 13 opportunity, this is something you should clarify
03:07:43 14 this tomorrow. So we would also, with the help of
03:07:45 15 David Sexton, he would have told us what was the
03:07:47 16 U.S. market response and therefore are there any
03:07:51 17 questions in the U.S. market that were not present
03:07:54 18 in the European market. So they would have at
03:07:57 19 least a verbal briefing and also be provided with
03:08:02 20 reports and other things.

03:08:48 21 Q Now, with regard to the briefing that
03:08:51 22 occurred during the time between the London
03:08:54 23 presentation and the U.S. presentation, you stated
03:09:03 24 that Mr. Sexton would apprise the executives of
09:06 25 what the U.S. market reaction was?

1 SIMON HENRY, October 16th, 2006

03:09:08 2 A Yes.

03:09:12 3 Q Okay. Could you please explain for me
03:09:16 4 what you mean by "the U.S. market reaction"; is
03:09:18 5 that in connection with the presentation that was
03:09:22 6 conducted in London?

03:09:23 7 A The presentation we conducted in London,
03:09:25 8 we always made it user friendly for U.S.
03:09:28 9 investors, so unlike a press conference which was
03:09:34 10 conducted in the morning, which was 2:00,
03:09:37 11 3:00 a.m. there, maybe 4:00 a.m. U.S. time, the
03:09:41 12 analyst conferences would usually start 8:00 a.m.
03:09:48 13 to 9:00 a.m. New York time, so investors or
03:09:53 14 analysts based on the East Coast would be able to
03:09:56 15 listen direct to the first presentation, which
03:09:59 16 would give them an opportunity to listen, to
03:10:02 17 understand, to prepare any questions they might
03:10:05 18 have the following day in New York. They were --
03:10:12 19 over teleconference facilities, they were able to
03:10:15 20 ask questions in the first meeting also, although
03:10:18 21 we tended to give preference to U.K. and European
03:10:21 22 investors on the first day.

03:10:31 23 Sorry. I didn't answer your question.
03:10:33 24 U.S. investors would then, during the U.S. working
10:37 25 day, typically call David Sexton and say can you

1 SIMON HENRY, October 16th, 2006

03:10:41 2 help me understand or ask David the question on
03:10:43 3 the working day while we were still traveling
03:10:46 4 over, and usually David would join us for
03:10:49 5 breakfast before the meeting in New York, and
03:10:51 6 David would give a verbal briefing to the
03:10:53 7 executives of any issues that were "hot" in the
03:10:57 8 U.S. market, particularly if they had not been
03:11:00 9 discussed the previous day.

03:11:19 10 Q Do you specifically recall U.S. analysts
03:11:21 11 participating in the London presentations over or
03:11:26 12 by telephone?

03:11:28 13 A Yes, I do.

03:11:32 14 Q Do you recall which analysts
03:11:36 15 participated in any of those presentations?

03:11:49 16 A I could refer to some of the investment
03:11:56 17 hazards they represented. It would be equity
03:12:01 18 research. I'm struggling. I can't think of any
03:12:06 19 questions that were posed by U.S. investors
03:12:12 20 themselves. It was just the research analysts.
03:12:20 21 The most common were Merrill Lynch through Steve
03:12:26 22 Pfeiffer, Morgan Stanley through Doug Terrison,
03:12:31 23 and Paul Ting at UBS, and Mark Gilman at various
03:12:45 24 brokerages, and maybe one or two others. In
03:12:53 25 several instances, say for Merrill or for UBS,

1 SIMON HENRY, October 16th, 2006

03:12:57 2 they also had a European-based analyst who would
03:13:01 3 get effectively preference in terms of questions
03:13:05 4 in the first conference, but the U.S.-based
03:13:16 5 analyst could come in at a later point.

03:13:23 6 Q With regard to the presentations that
03:13:24 7 were conducted in New York, were European analysts
03:13:29 8 able to participate in that presentation
03:13:32 9 telephonically?

03:13:39 10 A I believe we webcast, but we didn't
03:13:42 11 offer an opportunity for them to take -- to place
03:13:46 12 questions, on the rationale that they had had an
03:13:53 13 opportunity the previous day.

03:14:01 14 Q Is it your understanding that the
03:14:02 15 webcast of the New York presentation was
03:14:05 16 disseminated worldwide?

03:14:07 17 MR. SMITH: We're talking still about
03:14:09 18 the Group Strategy Presentation?

03:14:12 19 MR. MACFALL: I am. Thank you.

03:14:14 20 MR. FERRARA: Disseminated worldwide
03:14:16 21 from London or from New York?

03:14:18 22 MR. MACFALL: From New York.

03:14:20 23 THE WITNESS: The presentations were
03:14:21 24 made in New York. The web site is run from
03:14:24 25 London, so the feed, the logistics was back into

1 SIMON HENRY, October 16th, 2006

03:14:27 2 London and then run out through London.

03:14:32 3 BY MR. MACFALL:

03:14:33 4 Q Just for purposes of clarification, I'm
03:14:36 5 not sure that's really responsive. Was -- the
03:14:39 6 webcast itself of the presentation conducted in
03:14:44 7 New York; are you aware if that was available on a
03:14:47 8 worldwide basis?

03:14:49 9 A It was available on the Shell.com
03:14:51 10 website, so it was available to anybody who had
03:14:54 11 access to it.

03:14:58 12 MR. FERRARA: Sorry. Were you asking a
03:14:59 13 clarifying question as well about where the
03:15:05 14 website was sited?

03:15:07 15 MR. MACFALL: I was not.

03:15:10 16 BY MR. MACFALL:

03:15:10 17 Q Now, one of the analysts that you
03:15:13 18 identified as participating from time to time
03:15:16 19 telephonically in connection with the London
03:15:19 20 presentations was a gentleman named Mark Gilman,
03:15:21 21 correct?

03:15:22 22 A Correct.

03:15:23 23 Q And I believe you indicated that he
03:15:25 24 worked for various investment banks. Was that
03:15:29 25 during your tenure at IR?

1 SIMON HENRY, October 16th, 2006

03:15:37 2 A Two or three when I was in IR, two or
03:15:40 3 three different investment or brokerage houses
03:15:43 4 when I was in IR.

03:15:45 5 Q Can you identify those brokerage houses
03:15:47 6 for me.

03:15:49 7 A I only remember one, which was First
03:15:52 8 Albany.

03:15:57 9 Q Do you recall if First Albany had any
03:16:02 10 other analysts following Shell during Mr. Gilman's
03:16:06 11 tenure there?

03:16:07 12 A No, they didn't.

03:16:20 13 Q Do you know if First Albany disseminates
03:16:27 14 analyst reports?

03:16:29 15 A It disseminated them, I believe, to
03:16:30 16 their U.S. customers, which were their only
03:16:34 17 customers. They have no presence in Europe.

03:16:37 18 Q Are you familiar with an analyst named
03:16:41 19 Arjun Murti?

03:16:43 20 A Yes, I am.

03:16:47 21 Q During your tenure at IR, do you know
03:16:50 22 what brokerage house Mr. Murti worked for?

03:16:59 23 A Goldman Sachs in New York.

03:17:15 24 Q Did Goldman Sachs -- withdrawn. Did
03:17:17 25 Mr. Murti follow Shell as an analyst for Goldman