

Shell Shareholders Organisation

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27th January 1999

DELIVERED BY HAND

**Mr Maarten van den Bergh
President, Royal Dutch Petroleum Company
The Hague
Netherlands**

Dear Mr van den Bergh

I enclose for your information a self-explanatory letter that I hand delivered to Shell-Mex House on Monday 18th January 1999. Thus far, I have not even received the courtesy of an acknowledgement by Mr Brinded or Shell's lawyers. Copies are also enclosed of the leaflets that I am distributing for the rest of this week outside your offices in The Hague.

It gives me no pleasure to campaign against Shell. All that I have sought is for Shell to stand by its avowed core principles of honesty, integrity and openness. If it did so, the remaining dispute arising from the "Don Marketing Saga" could have been quickly resolved. Unfortunately your British colleagues commitment to the principles is disingenuous.

I will give you one example. Shell UK Legal Director, Mr Richard Wiseman and Mr Colin Joseph of Shell UK Solicitors, DJ Freeman, have admitted on the record that an undercover investigator acting on behalf of Shell UK Limited, acted deceptively. Mr Wiseman can supply you with a recording of the interview with the journalist, Mr Simon Rines, when the admittance was made about the sleazy secret agent, Mr Christopher Phillips.

Can someone please explain to me how the actions of Mr Phillips, who engaged in trickery and outright deception on behalf of Shell, can be reconciled with Shell's Statement of General Business Principles?

Deception was also used by Shell managers in relation to every one of the four relevant promotion proposals that Don Marketing put to Shell UK Limited in strictest confidence. Shell has of course already settled out of Court in respect of the first three ideas stolen from us.

Although the SMART claim is set down for trial in June, there is still no evidence of any recognisable blueprint for the SMART multi-partner scheme prior to the proposal that Don Marketing last discussed towards the end of November 1992, with Shell manager Mr Andrew Lazenby. Early in January 1993, Mr Lazenby (the same manager at fault in respect of the three previous claims) briefed another agency to produce a SMART scheme that replicated Don Marketing's proposal.

Furthermore, there is incontrovertible evidence which shows that Mr Lazenby did not act in accordance with Shell code of business practice during his tenure as the Shell UK National Promotions Manager. The evidence is already in discovery. It will deal a further massive blow to Shell's reputation and will probably lead to claims from other parties.

It is plain that no one at Shell has properly investigated these matters or otherwise the situation would have been resolved long ago. Instead of acting ethically, Shell management in the UK prefers to throw up the barriers by retreating behind its lawyers and hoping that we will go away. The same ruthless treatment has been dished out to other parties who have genuine grievances against Shell.

At the age of 81, I would obviously have preferred for these matters to be resolved amicably at the earliest opportunity. However, as Shell UK evidently intends to continue playing hardball, I will at least have the satisfaction of seeing the whole catalogue of cover-up, deception, intimidation, and other misdeeds by Shell, exposed in open Court, including the oppressive use of "might over right" and the shady undercover activities.

Given that your company is the majority shareholder in Shell UK Limited, these highly unethical actions have effectively been undertaken on behalf of Royal Dutch Petroleum. In view of the fact that your company uses the "Royal" prefix, I will shortly be writing to Her Majesty Queen Beatrix of the Netherlands, to bring these matters to her attention.

Yours sincerely

Alfred Donovan
Chairman, Shell Shareholders Organisation.

M.A. VAN DEN BERGH

29 January 1999

Mr A Donovan
PO Box 224
Bury St Edmunds
IP30 0FE

Dear Mr Donovan

Thank you for your letter of 27 January 1999 which has been passed to our solicitors, D J Freeman. There is nothing to be gained by direct correspondence.

Yours sincerely



M A van den Bergh

Vice-Chairman of the Committee of Managing Directors
of the Royal Dutch/Shell Group of Companies and
President of Royal Dutch Petroleum Company

Shell Shareholders Organisation

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15th February 1999

**MR MAARTEN VAN DEN BERGH, PRESIDENT
ROYAL DUTCH PETROLEUM COMPANY
CAREL VAN BYLANDTAAN 30
2596 HR THE HAGUE**

Dear Mr van den Bergh

Thank you for your letter dated 29th January 1999. In view of the fact that you represent the 60% majority stake in the Royal Dutch Shell Group, I am saddened to learn that you have aligned the Royal Dutch Petroleum Company with DJ Freeman, the British firm of Solicitors whose scandalous activities have brought Shell's reputation into further disrepute.

You and your British colleagues, Mr Moody-Stuart and Mr Malcolm Brinded, are very well aware of the core principle of the Statement of General Business Principles, requiring "openness" in ALL of Shell's dealings. That is exactly the opposite of the policy Shell is currently following, with Shell executives once again hiding behind a wall of oily lawyers.

Dr Fay took the same stance, even though it is directly at odds with his letter of apology regarding the earlier claims. In his letter he said that if Shell had ensured that its dealings with Don Marketing met with the high standards Shell sets for itself, rather than focusing on the strict legal issues, our differences would have been resolved more quickly. In other words, he accepted that it had been a mistake to leave the matter to the lawyers, rather than Shell living up to the moral obligations specified in the STATEMENT. It is therefore remarkable that Shell is repeating exactly the same error on this occasion.

Bearing all of the above in mind, I can only assume that you and your colleagues take the view that litigation does not fall within the definition of "dealings". It would explain how Shell has been prepared to resort to sinister activities while conducting its defence of the SMART claim brought by my son, John Donovan.

I refer to the skullduggery used by the sleazy undercover operative, Mr Christopher Phillips, of Cofton Consultants, Knightsbridge, which has been admitted by Shell. One of a number of agents briefed by Shell Solicitors, DJ Freeman, in connection with the SMART claim.

I have publicly identified on more than one occasion both on leaflets and on the Internet (www.shell-shareholders.org) the firms and individuals associated with the underhand activities.

The fact that *none* of the parties involved have taken legal action to prevent me repeating the assertions confirms that what I am saying must be true.

Incidentally, the Police informed my son on 30th January 1999 that they believe that sinister motives were behind the breaking and entering at my sons home (the most recent in a series of suspicious burglaries at the homes of people associated with his SMART claim). Although Shell and DJ Freeman have categorically denied any connection with the burglaries, this does not rule out the possibility that an overzealous undercover investigator may have exceeded instructions.

When is somebody going to accept responsibility for the damage done to Shell's reputation over these matters? Who will resign when it is shown in open Court that Shell UK has had in its possession for years, incontrovertible documentary evidence that corrupt practices were deliberately used by Shell UK manager, Mr Andrew Lazenby? It seems that no one cares that the solemn pledges of "honesty, integrity, and openness" in the STATEMENT, will be publicly exposed as a sham.

As you are aware, I spent three days at The Hague at the end of January distributing a series of leaflets. I was once again extremely grateful for the encouragement and sympathy expressed by many individuals. It is also good to know that some amusement is generated by the jests in my leaflets about the high and mighty at Shell. Satire has added bite when it is based on fact. I noticed with delight that a number of people already had leaflets brought over by UK colleagues.

As mentioned in my letter, at the age of 81, I really would much prefer to be snoozing in my favourite chair rather than battling Shell, but someone has to be prepared to fight the Goliath's of this world if they act unethically and oppressively. I wonder if Shell executives would still be trying to defend the indefensible and ignoring all ADR proposals if, instead of being able to waste shareholder funds, they had *personal liability* for the huge litigation costs? I think we all know the answer.

I enclose a copy of a letter sent to Her Majesty, Queen Beatrix of the Netherlands. I draw your attention to the last paragraph and trust that you will give proper consideration to my suggestion. I will be back at your offices shortly circulating a selection of new leaflets, including a copy of the letter to HM Queen Beatrix.

Yours sincerely

Alfred Donovan
Chairman
Shell Shareholders Organisation

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1st March 1999

HM QUEEN BEATRIX OF THE NETHERLANDS
Huis ten Bosch Palace
The Hague

Your Majesty

I am writing to you concerning the Royal Dutch Petroleum Company, which owns a controlling interest in the Royal Dutch/Shell Group. The "Royal" prefix confers immense prestige on this multi-national giant.

The Brent Spar and Nigerian PR disasters have already badly tarnished its former exemplary reputation, when we could all "be sure of Shell". Now we have a third global PR debacle for the Shell brand. A combination of difficult market conditions and thoroughly incompetent management has caused a financial meltdown at Royal Dutch/Shell that has hit the headlines around the world. This has inflicted further damage to Shell's reputation.

The crisis has now reached the stage whereby Group Chairman, Mr Moody-Stuart, is reportedly contemplating merging Royal Dutch and Shell Transport into one company. There is even speculation about which HQ will be closed, Shell Centre in London or The Hague. Mr Moody-Stuart has recognised the growing seriousness of the crisis by admitting that he may have to resign.

I have had a ringside seat at this unsavoury spectacle of one PR disaster after another, because my family and I have been engaged in a series of legal actions against Shell. I enclose a copy of a booklet entitled "The Shell Game", plus a selection of self-explanatory leaflets. I would respectfully draw your attention to the leaflet entitled "Return of the Robber Barons".

The leaflet comments on Shell's oppressive conduct against Shell station operators in the UK. No wonder that 55% of respondents in a survey of over 1500 Shell stations said that Shell operates in an unethical manner.

The same ruthless conduct has been evident in my families' legal battles with Shell e.g. they have brought a £100,000 Counterclaim against me - an 81-year-old war pensioner. The Counterclaim is in direct contravention of a press statement issued by Shell that it would be in breach of its duties to its shareholders if it brought a legal action, whereby it would lose money even if successful. My family and I have also been bombarded by threats from Shell during the litigation.

Cont'd/...

Shell has ignored all of the arbitration and mediation proposals that we have put forward in an effort to resolve matters amicably. It appears absolutely hell bent on exploiting its huge advantage over a financially weaker opponent irrespective of the strong merits of our claim.

Despite a letter of apology for past misdeeds that we received from Shell UK Chairman, Dr Chris Fay, in 1996, Shell has continued to act in ruthless and flagrant breach of its own code of business ethics requiring honesty, integrity, and openness, in all of its dealings. After being cornered, Shell has admitted its association with outright deception carried out on its behalf by a sleazy undercover operator.

Although it is highly obnoxious for a multi-national to act oppressively against small traders, as far as I know, such conduct is not illegal. It is however even more repugnant given the false image of ethical trading projected by the Statement of General Business Principles published by the Royal Dutch/Shell Group. Regrettably, in reality (based on our horrendous experience), there appears to be a culture of deception and cover-up deeply ingrained at the highest levels of Shell.

Bearing all of the foregoing in mind, I have written to the President of Royal Dutch Petroleum, Mr Maarten van den Bergh, suggesting that his company should voluntarily relinquish the "Royal" prefix until such time as it succeeds in regaining its former high reputation. This action would avoid the potential embarrassment caused by the "Royal" prefix being attached to an arrogant multi-national bully, currently in a steep financial and moral decline.

Yours sincerely

Alfred Donovan
Chairman
Shell Shareholders Organisation