

# Update on Structural Changes: EC-1 Organisation

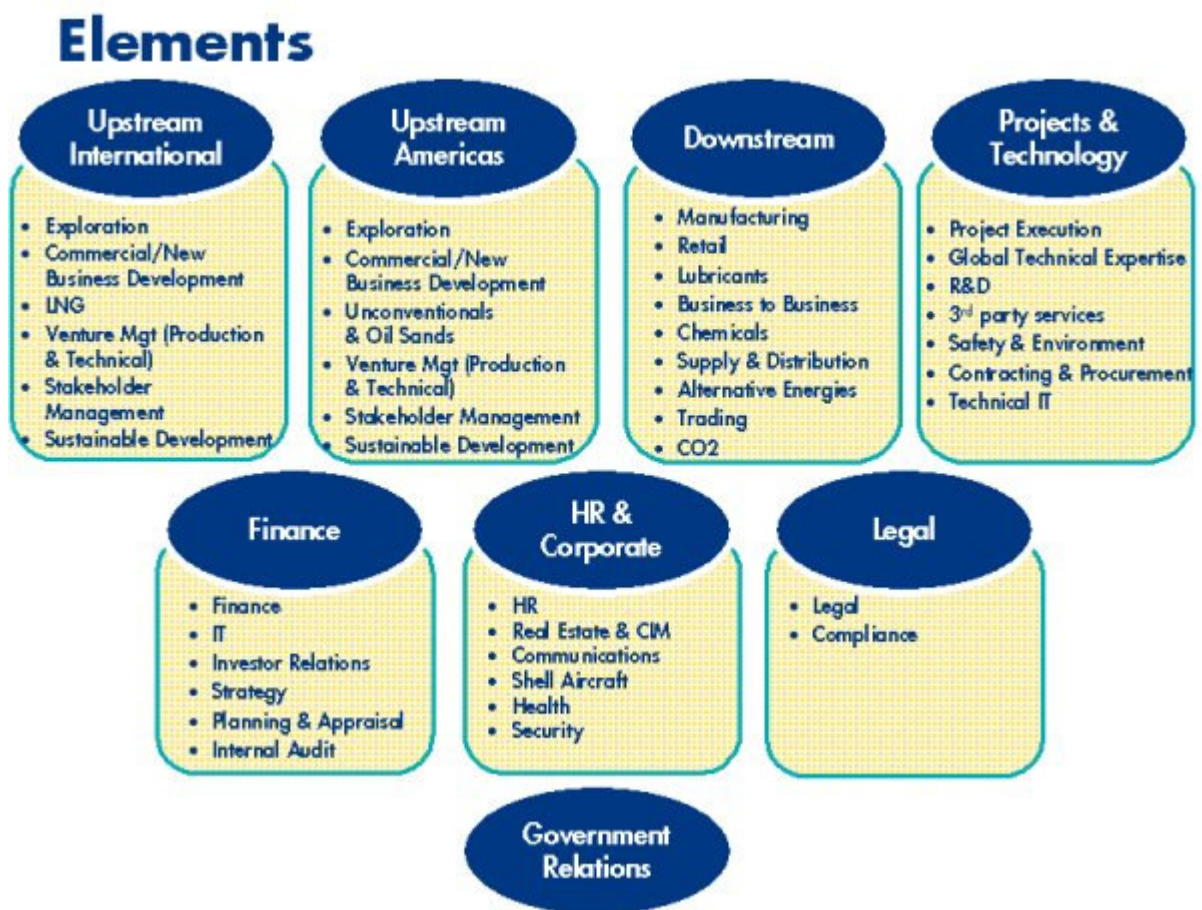
08-Jun-2009

Announcement of the EC-1 organisational structure across all businesses and functions.

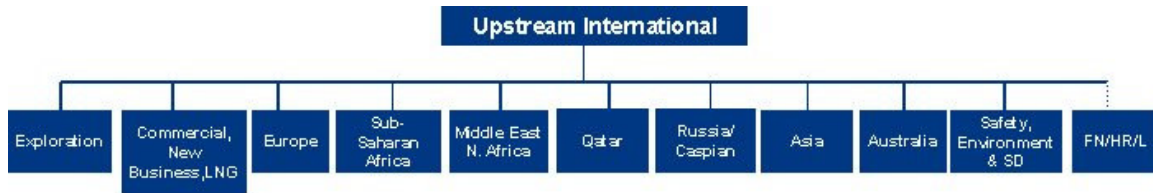
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On May 27, Peter Voser shared his plans for the future Shell structure and ways of working. Today, June 8, we announce the EC-1 organisational structure across all businesses and functions.

(Subject to appropriate staff consultation)



## UPSTREAM INTERNATIONAL



The Upstream International business will be led by Malcolm Brinded, Executive Director, and integrates Gas and Power and Exploration and Production business activities outside the Americas as previously announced. The business will be organised into geographic units, emphasising the importance of stakeholder relationships.

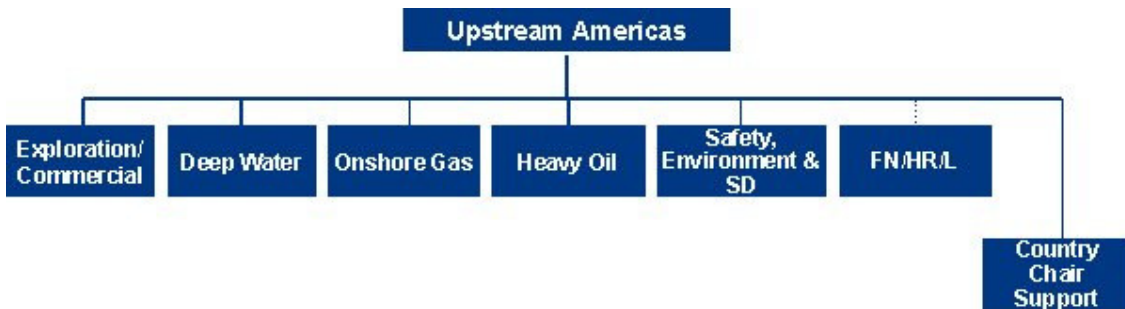
Direct reports to the Director include:

- The **EVP Exploration** will be direct-line accountable for all Upstream International exploration activities, including lead in countries with exploration only activities such as Algeria, Saudi Arabia and Ukraine.
- The **EVP Commercial, New Business and LNG** will have accountability for overseeing New Business Development, the global LNG business, LNG customer relationships, the Upstream Commercial function and for portfolio analysis including hydrocarbon maturation oversight. This involves taking an active role in all major commercial negotiations in Upstream International. The EVP will also be the global Upstream Commercial Functional Head.
- The **EVP Europe** will manage an integrated business unit comprising the existing EP and GP European operations and JVs. Shell Energy Europe will move to Downstream Trading as previously announced. This unit will include capability for development, wells, minor projects, production & asset management and stakeholder management.
- The **EVP Sub-Saharan Africa** will manage an integrated business unit comprising the existing EP and GP Africa operations (excluding Northern Africa) and JVs. It will include capability for development, wells, minor projects, production & asset management and stakeholder management.
- The **EVP Middle East / North Africa** will govern a portfolio of mainly Joint Ventures and any (future) Shell operated assets, combining the existing EP and GP regional operations and JVs (excluding Qatar) with a focus on Joint Venture governance and value delivery, and long-term stakeholder relationships.
- The **EVP Russia / Caspian** will govern a portfolio of Joint Ventures combining the existing EP and GP regional operations with a focus on Joint Venture governance and value delivery, Kashagan project over-sight, and long-term stakeholder relationships.
- The **EVP Qatar** will manage a combination of existing GP and EP operations including Pearl GtL and QG4 LNG JV, with a focus on delivery of the ongoing

projects, production & asset management and long-term stakeholder relationships.

- The **EVP Asia** will manage an integrated business unit comprising the existing EP and GP Asian operations and JVs (excluding Australia but including India and NZ). It will include capability for development, wells, minor projects, production & asset management, and stakeholder management.
- The **EVP Australia** will manage an integrated business unit comprising the existing EP and GP Australian operations with a focus on JV governance, the development of the resource portfolio and long-term stakeholder relationships.
- The head of Safety, Environment and SD for Upstream International will also be the Group Head of Sustainable Development.

## UPSTREAM AMERICAS



The Upstream Americas unit will be led by Marvin Odum, Director, as a newly formed EC position. The unit integrates Gas and Power and Exploration and Production business activities in the Americas as previously announced. The business will be organised into three major business units along key resource development lines. The existing Gas and Power Americas operations will be part of the new Exploration and Commercial unit. The current EPW technical and production directorate will be allocated across the Americas Business Units and the Projects and Technology business. The current EPW support directorate will be allocated to Finance and Exploration/Commercial.

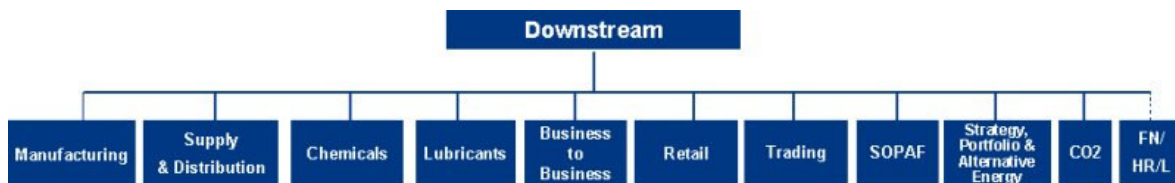
Direct reports to the Director include:

- The **EVP Exploration and Commercial** will integrate the activities of the existing EPW New Business Development, Exploration and Gas & Power Americas and Wind operations. This includes accountability for commercial activities, new business development, exploration (including lead in Alaska), hydrocarbon maturation oversight, governance of JVs for LNG regas terminals, wind operations and governance of South American mid-stream assets. The EVP will also be the global Exploration Functional Head.
- The **EVP Deep Water** will manage an integrated business unit comprising the Gulf of Mexico, Brazil and governance of additional South American JVs. It will

include capability for stakeholder relations, development, wells, facilities and project engineering and production and will work closely with Exploration and Commercial.

- The **EVP Onshore Gas** will manage an integrated business unit with a portfolio of gas-focused plays in N. America. It will include capability for stakeholder relations, development, wells, facilities and project engineering and production and will work closely with Exploration and Commercial.
- The **EVP Heavy Oil** will manage an integrated business unit comprising the Athabasca Oil Sands (mining and upgrading), Unconventional Oil, Shale Oil and governance of the Aera JV. It will include capability for stakeholder relations, development, wells, facilities and project engineering, mining, operations and production. This group will also have responsibility for the 'small projects' group, which will develop those projects for Upstream Americas that do not go to the Projects and Technology group.
- Additional direct reports include a head of Safety, Environment and SD for the Americas, and staff associated with the US Country Chair role.

## DOWNSTREAM

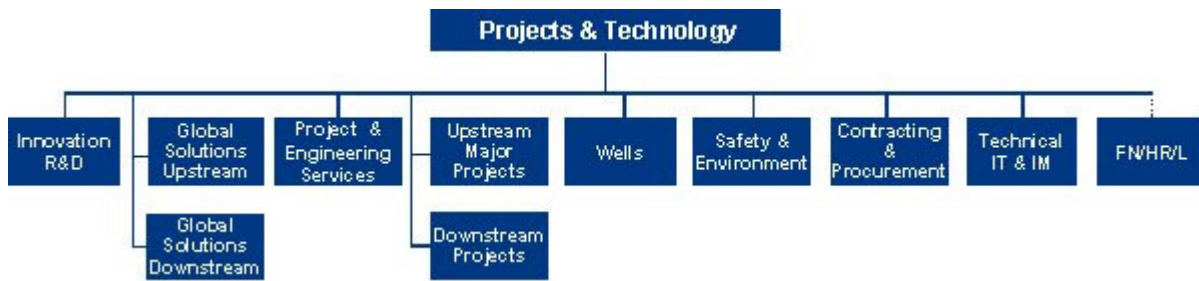


Downstream will continue to be structured around the global classes of business, each with an EVP on the Downstream leadership team: Manufacturing, Supply & Distribution, Lubricants, Chemicals, Retail, and Business to Business. The SOPAF (Shell Oil Products Africa) EVP position will also continue as before.

As previously announced, the Oil Sands business moves to Upstream Americas, while the EVP Trading will now report directly to the Director, Downstream.

The EVP Strategy, Portfolio and Alternative Energy position will combine aspects of the current strategy and portfolio activities with responsibility for the "future fuels" activities (biofuels, solar, hydrogen - but not wind, which will be managed out of the Upstream Americas organisation). The EVP CO2 position will report directly to the Director, Downstream outside of the DLT.

## PROJECTS AND TECHNOLOGY



As previously announced, Projects and Technology will be elevated to an EC-level position, led by Matthias Bichsel as Director. This new organisation will merge the current Global Solutions business and the EP Technology directorate, as well as taking over accountability for other corporate functions including safety & environment and contracting & procurement. P&T will serve all of Shell's businesses globally.

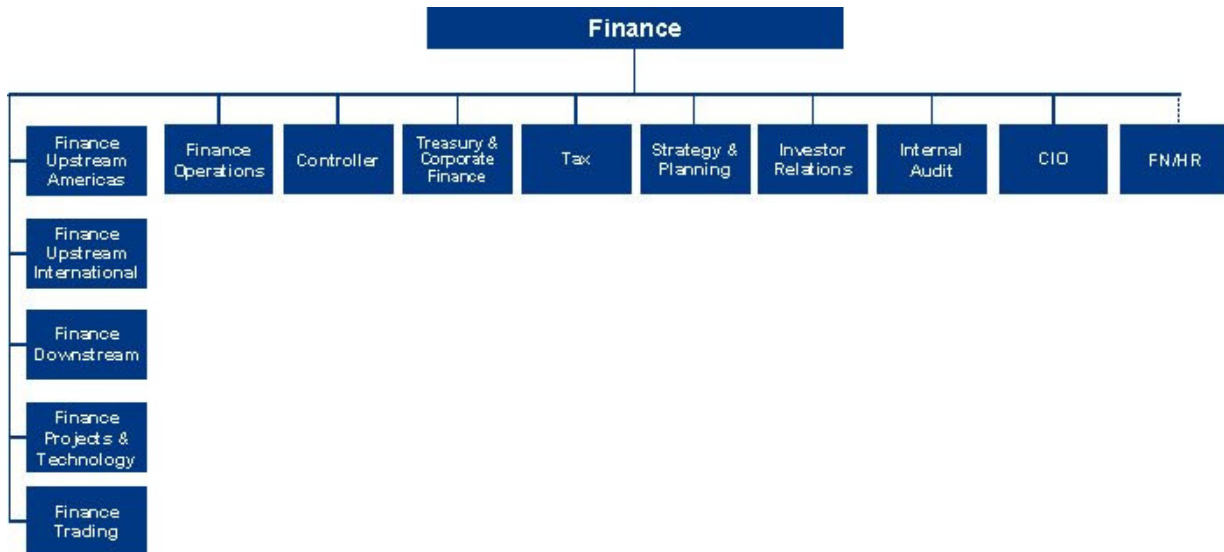
It will be organised along the value chain of the business with the following direct reports:

- The **EVP Innovation and R&D** will be the Chief Technology Officer for the Group and will develop differentiating technologies with application in a 2-20 year time horizon against a holistic Group Technology strategy. This includes development of Gamechanger technologies needed to create new future businesses for the Group. The incumbent will also be accountable to create a world-class R&D capability.
- The **EVP Global Solutions Upstream** and the **EVP Global Solutions Downstream** will carry forward the externally recognised Global Solutions brand. Their task is to provide solutions for technological challenges of assets and projects focusing in principle on a less than 2-year time horizon, as well as delivering high-end technical services to Upstream and Downstream businesses, respectively. Commercial activities, including CRI Criterion, and support to third parties will be undertaken mainly by Global Solutions Downstream.
- The **EVP Project and Engineering Services** will support both of the P&T project execution units (described below) as well as provide direct services to the Upstream and Downstream businesses. The combination of Upstream and Downstream service units will harvest internal efficiencies while realising "One Shell Engineering" and enabling TQ service delivery to the businesses. This unit contains the discipline engineers and retain technical functional heads for facilities engineering and project management.
- The **EVP Upstream Major Projects** will be accountable for Top Quartile project execution of major (in principle the 'Top 70') projects including safety, cost, schedule, and technical integrity from Decision Gate 3 to On-stream. Where no capabilities or capacity exists in an Upstream venture, this organisation will take on execution accountability at Decision Gate 2. All other Upstream projects will be executed by the Upstream Businesses. In all cases,

the Upstream business will be accountable for the overall value delivery of their projects and in particular the Decision Executives and Business Opportunity Managers will be in the Upstream business line.

- The **EVP Downstream Projects** will be accountable for Top Quartile project execution including safety, cost, schedule, and technical integrity in line with current business practices agreed between Global Solutions and Downstream.
- The **EVP Wells** will be accountable for Top Quartile well delivery in line as currently executed by EPT-Wells. The incumbent will be the Technical functional head for well engineering.
- The **EVP Safety and Environment** will be the Group functional head of Safety and Environment, with direct access to the CEO. This position is also responsible for the management of Safety and Environment in P&T.
- The **EVP Contracting and Procurement** will be the Group functional head of CP, with direct accountability for Enterprise Category Management, coordination of key supplier relationships and procurement of goods and services for the global functions (HR, Finance and Legal).
- The **EVP Technical IT & IM** will have accountability for all aspects of differentiating Information Technology and Information Management Group-wide including amongst others, subsurface IT, software development, high performance computing, smart fields, smart manufacturing and enterprise IT innovation. This senior role will report to the Director, Projects and Technology with membership in both the Project and Technology leadership team and the IT Executive.

## FINANCE



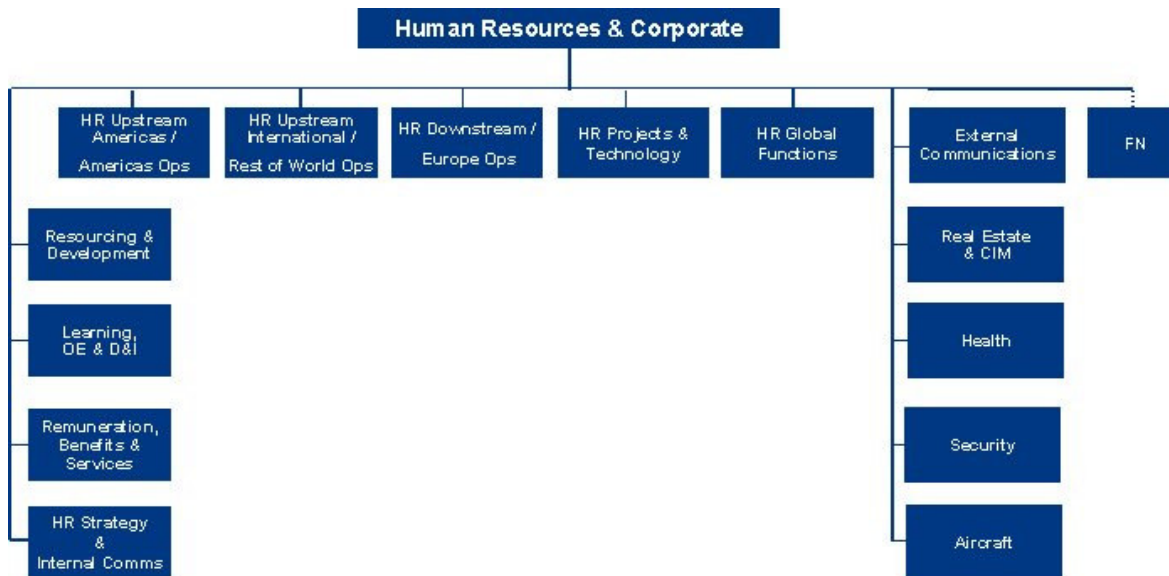
Direct reports to the Director will include:

- The **Finance EVPs for each of the businesses (Upstream Americas, Upstream International, Downstream and Projects and Technology)**. These positions will also sit with their respective business leadership teams.
- The **EVP Treasury** will also be responsible for Corporate Finance
- The **EVP Finance Operations, EVP Controller, EVP Tax, EVP Strategy & Planning and EVP Finance Trading**
- The **EVP Investor Relations**

The above roles will sit on the Finance Leadership Team.

- The **Chief Internal Auditor**
- The **Chief Information Officer** will have full accountability for the Information Technology function in the company independent of formal reporting lines.
  - The EVP Technical IT & IM will report to the Director, Projects and Technology as described above and reflects the importance of 'technical' IT and IM in creating competitive advantage through our Technology and R&D products. The EVP Technical IT & IM will be a full member of the IT Executive.

## HR & CORPORATE



Direct reports to the Chief HR and Corporate Officer will include:

### Human Resources

- **HR EVPs for each of the Businesses (Downstream, Upstream Americas, Upstream International, Projects & Technology) and for the Global Functions.** These individuals will also sit on the respective business and functional leadership teams.
- **HR Operations will be significantly restructured and organised on a country/cluster basis covering all Businesses and Functions. HR EVPs for Upstream Americas, Upstream International and Downstream** will each “double hat” regional responsibility for operational HR. The regional allocations are shown on the chart.
- The **major HR functional EVP roles** will continue. The **Learning, OE, and D&I and Resourcing & Development roles** are essentially unchanged. **HR Services will be restructured.** As a result Global HR Services Operations will be integrated with the Remuneration and Benefits function under the EVP Remuneration, Benefits and Services to closely align global policy design and standardised process execution. Responsibility for HR Process design and services projects will move to HR Strategy and Regional Coordination.
- The **EVP HR Strategy and Regional Coordination** will also now be responsible for **Internal Communications** in addition to HR process design and projects (retitled HR Strategy and Internal Communications.)

The above roles will form the HR Executive.

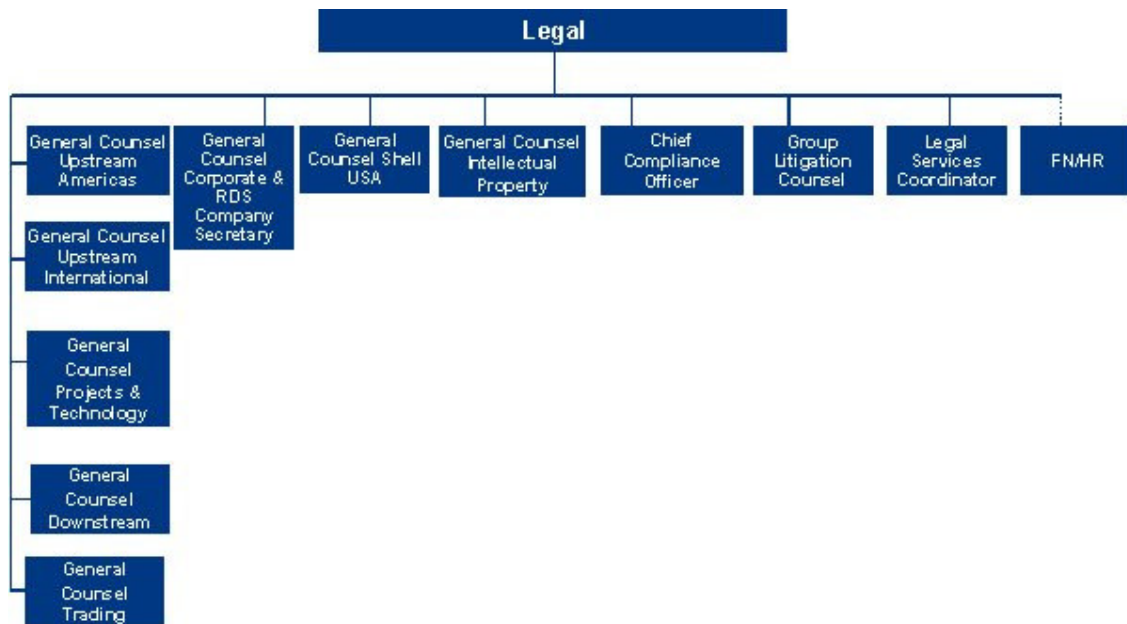
### Corporate

- The **EVP Shell Real Estate** will assume responsibility for **Common Infrastructure Management (CIM)**. CIM will continue as a separate division within Real Estate.



- The **VP Shell Aircraft**
- The **EVP External Communications** will cover the existing CX organisation excluding Internal Communication.
- The **VP Security**
- The **VP Health**

## LEGAL



Reporting to the Group Legal Director, Beat Hess are:

- The **General Counsel, Corporate and RDS Company Secretary**
- The **General Counsels for each of the businesses (Upstream Americas, Upstream International, Projects and Technology and Downstream, as well as for Trading)**. As with other functions these positions will sit with their respective business leadership teams.
- The **Legal Services Coordinator**
- The **Group Litigation Counsel**
- The **General Counsel Intellectual Property**
- The **Chief Compliance Officer**
- The **General Counsel Shell USA**

For further information visit the [SEF09/Transition](#) page.