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for media reporting. And that was usually about an hour, 90 minutes before the press conference itself.

Q And those wire services typically disseminated articles concerning Shell's results worldwide, correct?

MR. SMITH: Objection to form; lack of foundation.

BY MR. MACFALL:

Q Withdrawn. Do you -- are you familiar with the scope of -- withdrawn. Let me try this again. Did the wire services periodically or typically write articles concerning the results announced by Shell?

MR. SMITH: Objection to form.

THE WITNESS: They always, we hoped, wrote an article about the quarterly results and the performance of the company.

BY MR. MACFALL:

Q As part of your market monitoring activities as head of IR, did you review those articles?

A Not all of them, but I would typically follow Bloomberg's and other news services that

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11:10:56 2 were notified to me as having carrying a
11:10:59 3 particularly interesting article.

11:11:02 4 Q Are you aware of whether those articles
11:11:09 5 were disseminated globally over the wire at the
11:11:14 6 same time?

11:11:20 7 A I guess I was only following them from
11:11:22 8 the U.K., and so it would be an assumption from me
11:11:29 9 that they would be available globally by whatever
11:11:35 10 mechanism the wire services would use. I was only
11:11:38 11 personally following them in the U.K.

11:11:43 12 Q Now, with regard to the press
11:45 13 conferences that were conducted concerning the
11:11:47 14 QRAs, you indicated that members of the financial
11:11:51 15 media attended those conferences. Who determined
11:11:56 16 who to invite to those conferences?

11:11:59 17 A The team reporting to Mary Jo Jacobi.

11:12:06 18 Q Could you please describe the format of
11:12:10 19 those conferences for me.

11:12:11 20 A Just to be clear, we're talking about
11:12:12 21 the press conferences, not the investor or the
11:12:14 22 analyst conferences, which were a quite separate
11:12:18 23 event?

11:12:19 24 Q That's correct.

12:20 25 A I guess if it were U.K.-based, we would

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11:12:23 2 have somewhere between 20 and 30 journalists. We
11:12:27 3 would either rent a room in a London hotel or
11:12:30 4 other conference venture or invite the journalists
11:12:36 5 to Shell Center, the head office in London. Phil
11:12:39 6 or Judy would start with their 10-, 15-minute
11:12:43 7 presentation on the results. It would have
11:12:47 8 somewhere between seven and ten slides, simple
11:12:50 9 description or explanation of the results,
11:12:52 10 followed by an open Q&A. There would usually be a
11:12:59 11 telephone call-in option, such that journalists
11:13:03 12 who could not attend physically could also listen
11:13:06 13 and also ask questions, and the whole event would
11:13:10 14 last for maybe an hour.

11:13:13 15 Q Now, with regard to the presentation on
11:13:15 16 the results, I take it that -- withdrawn. Did
11:13:18 17 Mr. Watts and Ms. Boynton utilize prepared
11:13:24 18 statements during that portion of the
11:13:26 19 presentation?

11:13:26 20 A Yes, they did.

11:13:27 21 Q Who was responsible for drafting those
11:13:29 22 prepared statements?

11:13:32 23 A Ultimate responsibility for the press
11:13:34 24 statements would be with Mary Jo, but in fact,
11:13:37 25 they were extracts from, although very similar to,

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the statements that would be used by either Sir Philip or Judy or myself in investor communications, so it was basically one preparation process, and Mary Jo's team would -- "dumb down" would be maybe the wrong word, but they would make it more understandable to journalists relative to the investors who are shall we say more liberate in their interests.

MR. FERRARA: Tim, we've been going for a little more than an hour. Would it be convenient to take a brief break?

MR. MACFALL: If I could just finish up with a couple more questions.

MR. FERRARA: Sure.

BY MR. MACFALL:

Q Do you recall if journalists from the financial media in the United States typically attended the QRA or the Quarterly Result press conferences?

A Almost never, because they were held at 9:00 in the morning, and that was 4:00 a.m. in New York. What we did have is the Bureau representative usually from the "Wall Street Journal" would be present, but the London Bureau

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11:14:54 2 as based in London. I don't recall too many
11:15:00 3 others. "New York Times" was occasionally
11:15:03 4 represented.

11:15:06 5 Q Now, when you say "represented," do you
11:15:07 6 mean that those individuals were physically
11:15:12 7 present at the press conference?

11:15:14 8 A Or they would call in. They were always
11:15:18 9 invited, but they didn't always attend.

11:15:24 10 Q Now, just for clarification, because I
11:15:27 11 was actually asking specifically with regard to
11:15:30 12 physical attendance at the conferences, but you
11:15:33 13 may have answered this: Do you recall if members
11:15:36 14 of the financial media in the United States
11:15:38 15 typically participated by telephone in those press
11:15:44 16 conferences?

11:15:49 17 A Journalists based in the United States,
11:15:51 18 almost never, from my memory. I don't even
11:15:58 19 remember, because it wasn't my invitation list.
11:16:02 20 If we would bother to invite them, we would just
11:16:07 21 invite the London Bureau because of the time and
11:16:10 22 distance.

11:16:11 23 MR. MACFALL: Why don't we go off the
11:16:13 24 record.

16:14 25 THE VIDEOGRAPHER: We're going off the

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11:16:15 2 record. The time is 11:16 a.m.

11:16:18 3 (Whereupon, a short recess was taken.)

11:42:10 4 THE VIDEOGRAPHER: We are back on the

11:42:10 5 record. The time is 11:42 a.m.

11:42:15 6 BY MR. MACFALL:

11:42:16 7 Q Mr. Henry, prior to the break we were
11:42:18 8 talking about the press conferences that were held
11:42:20 9 in conjunction with the QRAs. I believe you
11:42:25 10 stated that members of the financial media from
11:42:27 11 the United States were invited but with certain
11:42:29 12 exceptions which you specified usually did not
11:42:33 13 attend. I'd like to ask: Do you recall
11:42:41 14 specifically which members of the United States
11:42:43 15 financial media were invited to those press
11:42:46 16 conferences?

11:42:47 17 MR. SMITH: Objection to form and
11:42:48 18 foundation.

11:42:51 19 THE WITNESS: To the best of my
11:42:54 20 knowledge, it would be the London-based Bureau of
11:42:57 21 Representatives of the "Wall Street Journal," the
11:42:59 22 "New York Times." And just to be clear, the same
11:43:04 23 was true about the wire services. It was the
11:43:07 24 London representatives. All reports that came out
11:43:13 25 following any of the discussions, quarterly

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11:43:17 2 results or otherwise, would come from the London
11:43:20 3 office; for example, Bloomberg. We never, in my
11:43:25 4 experience, spoke to U.S.-based journalists or
11:43:32 5 financial media.

11:43:34 6 BY MR. MACFALL:

11:43:36 7 Q Are you aware if representatives from
11:43:41 8 "Investors Business Daily" was invited to the
11:43:44 9 press conference?

11:43:46 10 A No.

11:43:47 11 Q No, you're not aware or no, they were
11:43:49 12 not invited?

11:43:50 13 A I'm not aware.

11:43:51 14 Q And I believe you, uh, you mentioned
11:43:53 15 Bloomberg. That would have been the London
11:43:55 16 representative of Bloomberg, correct?

11:43:56 17 A Correct.

11:43:57 18 Q Okay. How about Thompson's; do you
11:44:01 19 recall if anybody from Thompson's was normally
11:44:07 20 invited?

11:44:09 21 A I don't recall if Thompson's were
11:44:12 22 invited. The only relationship I had with
11:44:15 23 Thompson's that I was aware of was, in fact, the
11:44:19 24 shareholder information that they started to
11:44:22 25 gather for us during 2002.

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11:44:31 2 Q Are you aware if a representative of
11:44:34 3 Reuters was invited to the press conferences?

11:44:41 4 A I can't say specifically, but typically
11:44:44 5 we would invite them to the teleconference that
11:44:50 6 would be held before the press conference, and
11:44:54 7 that's the only time I would expect to talk to
11:44:56 8 them.

11:44:59 9 Q Just so I understand you, so a
11:45:01 10 representative of Reuters was, to the best of your
11:45:03 11 recollection, invited to participate in the
11:45:06 12 teleconference which occurred prior to the press
11:45:09 13 release; is that correct? I'm sorry. Prior to
11:45:11 14 the press conference regarding the QRA.

11:45:15 15 A The London-based representatives of
11:45:17 16 Reuters would be invited to join the
11:45:18 17 teleconference that would be held maybe half an
11:45:21 18 hour after the Stock Exchange Release, which was
11:45:24 19 7:30 U.K., 2:30 a.m. New York, and one hour later
11:45:41 20 for Continental Europe, the call being held at
11:45:48 21 that time so that it was before the markets opened
11:45:51 22 in Europe.

11:45:53 23 Q How about "Business Week"; do you recall
11:45:54 24 if a representative from that organization was
11:45:59 25 invited to the press conference?

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11:46:01 2 A I never came across a "Business Week"
11:46:05 3 representative based in Europe, sir. Let's be
11:46:07 4 clear. Journalists don't get up at 2:30 in the
11:46:11 5 morning. It's simple as that.

11:46:12 6 Q How about "Forbes"?

11:46:14 7 A "Forbes," no.

11:46:15 8 Q "Fortune"?

11:46:16 9 A No.

11:46:17 10 Q Now, with regard to the representatives
11:46:23 11 from organizations based in the United States,
11:46:25 12 such as the "Wall Street Journal" and "New York
11:46:27 13 Times" and Bloomberg, why were such
11:46:33 14 representatives invited to participate in the
11:46:38 15 teleconference and/or press conference?

11:46:41 16 MR. SMITH: Objection to form and
11:46:42 17 foundation.

11:46:48 18 THE WITNESS: My understanding, bearing
11:46:50 19 in mind I always had Investor Relations, not Media
11:46:53 20 Relations, was that the "Wall Street Journal" in
11:46:56 21 particular has a European version and has a
11:47:02 22 reporting responsibility into Europe, impacting
11:47:06 23 the European media. The financial media impacts
11:47:10 24 ultimately European investors. It was also a more
11:47:14 25 efficient way of communicating back into the U.S.

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11:47:18 2 market on the assumption that the journalists
11:47:21 3 would file copy that was available to the "Wall
11:47:24 4 Street Journal" when it came online in the U.S.
11:47:28 5 BY MR. MACFALL:

11:47:28 6 Q What about the "New York Times"?

11:47:31 7 A The "New York Times" was a less
11:47:34 8 important publication for us, to be honest, as far
11:47:37 9 as we were concerned, so I don't remember -- it
11:47:42 10 didn't have a European edition. The "New York
11:47:49 11 Times," one of the reasons it was less important
11:47:52 12 for us is it doesn't or, as far as I was aware,
11:47:56 13 didn't have a European edition.

11:48:01 14 Q Do you know why a representative of the
11:48:03 15 "New York Times" was invited to participate or to
11:48:07 16 attend the press conference?

11:48:14 17 A No.

11:48:25 18 Q Who was it who made the decision --
11:48:28 19 withdrawn. Who was it who drew up the list of
11:48:31 20 invitees to the press conference?

11:48:34 21 MR. SMITH: Objection to form and
11:48:35 22 foundation.

11:48:37 23 THE WITNESS: It would have been drawn
11:48:38 24 up by a member of the team, Mary Jo Jacobi's team.

11:48:59 25

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11:49:04 2 BY MR. MACFALL:

11:49:05 3 Q With respect to Ms. Jacobi's team, I
11:49:09 4 believe you indicated that they were responsible
11:49:11 5 for Media Relations; is that correct?

11:49:13 6 A Correct.

11:49:17 7 Q Do you know if that team was organized
11:49:22 8 in the same way Investor Relations was? And by
11:49:25 9 that I mean by geographic regional market.

11:49:32 10 A In my time in Investor Relations, the
11:49:35 11 organization changed more than once, and at one
11:49:42 12 point we had a U.S. media representative sharing
11:49:48 13 the New York office with David Sexton, but by and
11:49:54 14 large the U.S. media activity was considerably
11:49:58 15 less than the Europe.

11:50:03 16 Q Do you recall the name of the individual
11:50:04 17 who shared the office with Mr. Sexton?

11:50:06 18 A Michael McGary.

11:50:27 19 Q Now, with respect to the teleconferences
11:50:31 20 that were conducted after the final of the QRA but
11:50:36 21 before the press conference, who was
11:50:41 22 responsible -- withdrawn. Were representatives of
11:50:46 23 various financial media invited to participate?

11:50:53 24 A Sorry. Were representatives --

11:50:56 25 Q Yes.

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11:50:57 2 A Yes.

11:50:59 3 Q Who determined who was invited to
11:51:02 4 participate in the teleconferences?

11:51:05 5 MR. SMITH: Objection to form and
11:51:06 6 foundation.

11:51:10 7 THE WITNESS: The ultimate
11:51:11 8 responsibility would be Mary Jo Jacobi.

11:51:16 9 BY MR. MACFALL:

11:51:16 10 Q Did investor relations have any input
11:51:19 11 into the list of invitees or participants?

11:51:23 12 A Not that I can recall.

11:51:31 13 Q I know you identified Bloomberg as one
11:51:33 14 wire service that normally participated in the
11:51:36 15 teleconference. Can you identify any other
11:51:39 16 specific wire services that participated during
11:51:41 17 those teleconferences during your tenure at IR?

11:51:46 18 A Reuters and AFP were two -- I'm not sure
11:51:59 19 if it's a wire service, but it's a London-based
11:52:02 20 information service called "Breaking Views." And
11:52:10 21 I don't recall other what I would see as wire
11:52:17 22 services.

11:52:24 23 Q Did you participate in those
11:52:26 24 teleconferences?

11:52:27 25 A Yes.

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11:52:27 2 Q What was your role in those conferences?

11:52:32 3 A My initial role was in preparing any
11:52:34 4 briefing for the executives who would actually
11:52:37 5 host the conference, including they usually began
11:52:42 6 with a two-, three-minute description of the
11:52:46 7 highlights of the results, so I would be part of
11:52:50 8 drafting those highlights. Then I would be
11:52:53 9 present in the call only if one of the presenters
11:53:01 10 needed support and typically on facts and numbers
11:53:06 11 for the questions that were coming in, and more
11:53:09 12 often than not I did not actually speak in the
11:53:12 13 call. It was only by exception that I would
11:53:15 14 speak.

11:53:21 15 Q I know you -- excuse me. Withdrawn.
11:53:24 16 You previously indicated that certain of the press
11:53:27 17 conferences conducted out of The Hague were
11:53:31 18 conducted in Dutch. Were the teleconferences
11:53:34 19 conducted in English or Dutch?

11:53:38 20 A In London, in English. In the
11:53:41 21 Netherlands it would be a mix, essentially,
11:53:45 22 because sometimes you have English-speaking
11:53:49 23 journalists or not Dutch-speaking. German
11:53:54 24 journalists, for example, may not speak Dutch, so
11:53:56 25 they tended to be a combination. I have to say

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11:54:00 2 I'm not familiar with what went on in those press
11:54:02 3 conferences, because I was usually attending the
11:54:05 4 London-based conference.

11:54:16 5 Q And just so I'm clear, the
11:54:18 6 teleconferences that preceded the actual press
11:54:21 7 conference, were those normally conducted out of
11:54:25 8 London?

11:54:26 9 A Always conducted out of London.

11:54:29 10 Q I believe you stated earlier that
11:54:30 11 Mr. Watts and Ms. Boynton spoke during these
11:54:37 12 conferences on various occasions; is that correct?

11:54:40 13 A Yeah, typically one of them would do
11:54:42 14 their three-minute introduction, and if both were
11:54:46 15 present -- sometimes only one was present -- they
11:54:51 16 would choose between themselves who would answer a
11:54:53 17 particular question.

11:55:08 18 Q Besides telephonically, was the
11:55:15 19 teleconference broadcast or disseminated in any
11:55:18 20 other way?

11:55:19 21 A The teleconference was not broadcast.

11:55:20 22 Q How about the press conference?

11:55:24 23 A The press conference was typically
11:55:25 24 broadcast on the website, but not always. I
11:55:29 25 forget how the strategy evolved. During the

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11:55:34 2 period when I arrived, it was not. During the
11:55:38 3 period we started to webcast some of the press
11:55:42 4 conferences. This is partly as technology
11:55:53 5 evolved.

11:55:55 6 Q In or about 2003, 2004, were the press
11:56:01 7 conferences ordinarily webcast?

11:56:07 8 A I don't recall exactly, but I would
11:56:12 9 think, based on the way things developed, most of
11:56:15 10 them would have been webcast in that period.

11:56:26 11 Q I believe you indicated that the
11:56:32 12 prepared statements -- withdrawn. I believe you
11:56:34 13 indicated that Mr. Watts and Ms. Boynton during
11:56:36 14 the teleconferences utilized prepared statements,
11:56:39 15 correct?

11:56:40 16 A That's correct.

11:56:42 17 Q And those prepared statements were
11:56:44 18 extrapolated or distilled from the narrative
11:56:47 19 portion of the QRAs; is that correct?

11:56:50 20 A Distilled from the narrative in the QRA,
11:56:57 21 but they would typically repeat the key figures,
11:57:03 22 such as the income production.

11:57:06 23 Q Now, during the preparation of the
11:57:10 24 narrative portions of the QRA, was it necessary
11:57:17 25 for Investor Relations to obtain data from the

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11:57:24 2 operating Businesses?

11:57:28 3 A Yes, it was.

11:57:33 4 Q Were there specific focal points or
11:57:37 5 representatives or individuals -- let me try that
11:57:39 6 again. Withdrawn. Were there specific
11:57:41 7 representatives designated at each of those
11:57:43 8 Businesses to act as a conduit of information for
11:57:48 9 Investor Relations?

11:57:50 10 A Yes, there were.

11:57:57 11 Q Could you please identify with respect
11:57:59 12 to each of the Businesses, to the best of your
11:58:01 13 recollection, who each of those individuals were.

11:58:04 14 A In the Exploration & Production Business
11:58:06 15 for most of my time in Investor Relations it was a
11:58:09 16 lady called Rhea Hamilton. That's Rhea, R-H-E-A.
11:58:17 17 In the Downstream or Oil Products Business it was
11:58:27 18 an individual called Malcolm Spratt. In the Gas
11:58:31 19 and Power Business it was a variety of
11:58:34 20 individuals. It changed during the period, and
11:58:44 21 similarly in Chemicals, but most of our
11:58:49 22 communication was with E&P and Oil Products, as
11:58:53 23 they are the largest, uh, largest Businesses and
11:58:58 24 the ones of most interest.

59:01 25 Q And when you say "the ones of most

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11:59:03 2 interest," are you referring to interest by the
11:59:05 3 financial community?

11:59:07 4 A They had the most material impact on the
11:59:09 5 financial results, so if we were looking to
11:59:12 6 explain the financial results, that is where we
11:59:14 7 would start.

11:59:15 8 Q Do you recall what position Ms. Hamilton
11:59:18 9 held at EP?

11:59:20 10 A Apart from being the focal point of
11:59:23 11 Investor Relations, which was one of her roles,
11:59:26 12 she was part of the Finance Team that was
11:59:33 13 responsible for preparing various information
11:59:37 14 reports, planning within the EP Business.

11:59:43 15 Q How about Mr. Spratt?

11:59:45 16 A He was in a similar unit in the Oil
11:59:47 17 Products Business.

11:59:52 18 Q Just a moment ago I believe you used the
11:59:55 19 term "Upstream." Just to backtrack for purposes
12:00:02 20 of clarification, could you please describe for me
12:00:05 21 the difference between "Upstream" and
12:00:06 22 "Downstream."

12:00:09 23 A The Upstream Businesses are essentially
12:00:15 24 a resource and extraction and production Business
12:00:18 25 and include Oil and Gas up to the point at which

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12:00:22 2 that oil or gas is placed on a ship for transport
12:00:27 3 to market. The Downstream Business is typically
12:00:32 4 receipt of the ship into a distribution
12:00:37 5 infrastructure, maybe on with manufacturing
12:00:41 6 processing and sale to final customer.

12:00:45 7 Different oil companies might draw the
12:00:47 8 specific line between Upstream and Downstream
12:00:50 9 differently. Shell includes two Businesses in its
12:00:54 10 Upstream: The Exploration & Production and what
12:00:57 11 we call Gas and Power. Gas and Power is
12:01:00 12 responsible for the Liquefied Natural Gas or LNG
12:01:06 13 Supply Business, which includes liquefaction and
12:01:10 14 transport and ultimate sale into gas markets.
12:01:13 15 Some companies do not have that distinction. They
12:01:20 16 just have an Upstream Business. Depends on the
12:01:23 17 way they actually manage their own business.

12:01:34 18 Q I'd like to go back and just follow up
12:01:37 19 with something we discussed a little bit earlier.
12:01:42 20 You indicated you could recall specifically during
12:01:44 21 the QRA process or final approval process at least
12:01:48 22 one instance where the Board Conference commented
12:01:52 23 on the draft QRA. Do you recall who it was who
12:01:58 24 provided you with that comment?

12:02:25 A I recall how the comment reached me,

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1
12:02:05 2 which was obviously from my Line Manager who would
12:02:07 3 have been present in the meeting, which was Judy
12:02:10 4 Boynton.

12:02:12 5 Q I believe you also indicated that the
12:02:14 6 Board wanted to quantify production targets; is
12:02:20 7 that correct?

12:02:23 8 A What the Board was asking specifically
12:02:24 9 was that the targets that they had effectively
12:02:30 10 just been approving in the Business Plan were
12:02:33 11 communicated to the outside world. As proposed by
12:02:39 12 the business for internal management and appraisal
12:02:43 13 purposes, they wished to share the specific number
12:02:48 14 with the outside world.

12:02:52 15 Q Do you know why they wanted to share
12:02:54 16 that number with the outside world?

12:02:55 17 A No, I don't.

12:02:59 18 Q Did you have any discussion with
12:03:00 19 Ms. Boynton concerning her participation in the
12:03:08 20 CMD meeting at which that was discussed -- I'm
12:03:12 21 sorry -- at the conference meeting at which that
12:03:14 22 was discussed?

12:03:15 23 A No, I didn't, not really.

12:03:31 24 Q Now, going back again to the approximate
12:03:38 25 breakdown of investors in the United States versus

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12:03:41 2 Europe and the U.K., I believe you stated that
12:03:49 3 prior to the exclusion of Shell from the S&P 500,
12:03:52 4 that U.S. investors made up approximately
12:04:01 5 25 percent of the investors in Shell; is that
12:04:07 6 correct?

12:04:08 7 MR. SMITH: Objection to form.

12:04:09 8 THE WITNESS: What I said was that was
12:04:10 9 our understanding in Investor Relations at the
12:04:12 10 time, based on somewhat incomplete information,
12:04:16 11 incomplete because we hadn't at that stage started
12:04:20 12 the regular monthly information that we
12:04:22 13 subsequently gathered from Thompson's, and
12:04:25 14 incomplete because bearer shares we could not
12:04:34 15 identify, and so -- however we did it, so it was
12:04:37 16 based on our estimate at the time, not so much
12:04:39 17 where the shares were traded, but where the
12:04:42 18 holders might sit, but it was exactly that: Only
12:04:56 19 an estimate.

12:04:57 20 BY MR. MACFALL:

12:04:58 21 Q Do you recall if that estimate included
12:05:02 22 U.S. purchasers or U.S. holders who purchased on
12:05:08 23 foreign markets?

12:05:10 24 MR. SMITH: Objection to form and
05:11 25 foundation.

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12:05:18 2 THE WITNESS: I don't recall specific
12:05:19 3 numbers, but it would have potentially included
12:05:23 4 investors of the kind that you mentioned.

12:05:28 5 BY MR. MACFALL:

12:05:29 6 Q I believe you indicated that Shell
12:05:32 7 instituted a more formalized process to gauge the
12:05:39 8 number of U.S. holders vis-a-vis European holders
12:05:44 9 and U.K. holders; is that correct?

12:05:46 10 MR. SMITH: Objection to form.

12:05:48 11 THE WITNESS: It's correct that we
12:05:49 12 initiated a process during my tenure.

12:05:53 13 BY MR. MACFALL:

12:05:56 14 Q Was that in connection with the Standard
12:06:00 15 & Poore 500 exclusion of Shell?

12:06:03 16 A Not exclusively. I don't know the exact
12:06:06 17 timing, but it was around about the same time.

12:06:12 18 Q Could you explain to me why it was that
12:06:15 19 a process was put in place to identify the number
12:06:19 20 of U.S. holders versus European holders.

12:06:23 21 MR. SMITH: Objection to form.

12:06:28 22 THE WITNESS: The process wasn't put in
12:06:29 23 place, in the first place, just to know U.S.
12:06:33 24 versus European. I was head of what was
12:06:37 25 effectively a marketing activity, and it helped in

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any marketing activity to know where your customers were, so it was basically market intelligence for me to develop a communication strategy around, particularly bearing in mind, of course, we knew the size of the market through a daily web and how much potential capital there was.

BY MR. MACFALL:

Q Now, prior to the time that that process was instituted going back to the initial estimate concerning U.S. holders, do you recall what information that was based upon?

A Not entirely, but it was partly what shares were traded on which exchange, so we knew which ones were held and the ADRs were held, ST&T, for example, or the New York ordinary shares of our overall Dutch. And it was partly based on what I believe had been previous one-off surveys that had been done by my predecessor in Investor Relations. Michael Harrop, for example, was in the role I mentioned for five years in total, so I think he began in 1997, so he had quite some experience in the role.

Q I'm sorry. I believe you used the term

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"one-off survey"; is that correct? Could you please describe for me what that is.

A With Thompson's we asked them to do every month a survey of where the holders were and who were the big buyers and sellers, so I'd say that was an ongoing survey. A one-off survey is just a point in time snapshot where we were asking -- the one we did in my tenure was with Taylor Rafferty, a snapshot at that time of the Royal Dutch shareholders, who was a holder at any given date, and we didn't institute a monthly process afterwards.

Q Now, the Taylor Rafferty survey, was that commissioned for the same reason that you described; basically market surveillance and intelligence?

A Yes.

MR. SMITH: Objection to the form.

BY MR. MACFALL:

Q Do you recall approximately when that was done?

A I think that was in 2001, but I could be wrong. Could have been later, in 2002.

Q Was that survey something that you

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12:09:30 2 requested?

12:09:30 3 A It was something that I requested.

12:09:42 4 Q Now, the Thompson surveys; were they
12:09:46 5 done on a monthly basis?

12:09:51 6 A Yes, they are, once we had initiated the
12:09:58 7 contract.

12:10:16 8 Q Were the Thompson surveys something that
12:10:19 9 you requested that they be done?

12:10:22 10 A Yes, they were.

12:10:31 11 Q Was the data from either the Taylor
12:10:36 12 Rafferty survey or the various Thompson surveys
12:10:40 13 ever provided to members of senior management at
12:10:43 14 Shell?

12:10:44 15 A Yes, it was.

12:10:48 16 Q Now, with respect to the Taylor Rafferty
12:10:51 17 survey specifically, do you recall if that data
12:10:53 18 was provided to Shell senior management?

12:11:00 19 A I don't recall if the specific data was
12:11:03 20 provided, but some of the conclusions that we drew
12:11:05 21 from it about particularly European investors were
12:11:09 22 provided to management.

12:11:13 23 Q Do you recall what those conclusions
12:11:15 24 were?

11:16 25 A That our European -- this is Continental

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European, excluding the U.K. -- that our shareholders were much more broadly spread amongst European countries than had previously been thought, and that the Netherlands itself was just one of four countries with roughly equal shareholders.

Q Who specifically in senior management was provided with that information?

A Would have been Judy.

Q Do you recall how that was provided to Ms. Boynton? Was that an oral presentation or a written report?

A Most likely an oral presentation, maybe with one or two extracts from the report, but that's typically how we communicated, so I can't say specifically for that information.

Q As a general matter, did you normally communicate with Ms. Boynton on a face-to-face basis versus telephonically, for example?

MR. SMITH: Objection to form.

THE WITNESS: Mostly face to face.

BY MR. MACFALL:

Q Was Ms. Boynton's office physically located near your office?

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12:12:32 2 A Yes, it was.

12:12:36 3 Q With respect to the information from the
12:12:39 4 Thompson surveys, was data from those surveys
12:12:45 5 provided to senior management at Shell?

12:12:48 6 A Yes, it was.

12:12:49 7 Q Okay. Do you recall the subject matter
12:12:54 8 of the data that was provided to the Shell senior
12:12:57 9 management from those surveys?

12:13:01 10 MR. SMITH: Objection to form.

12:13:04 11 THE WITNESS: I recall two different
12:13:05 12 ways in which we used to share the data. One was,
12:13:10 13 if we took the senior executive on a road trip to
12:13:15 14 meet with investors, we would typically give a
12:13:18 15 listing of the key investors in that market and
12:13:24 16 highlight where the investors were that the
12:13:31 17 executive was meeting, where they were on that
12:13:33 18 list, and what their recent activity would have
12:13:36 19 been, whether they were a buyer or a seller.
12:13:38 20 Separate to that, we did a Quarterly Report
12:13:45 21 showing trends in terms of buyers and sellers and
12:13:51 22 movements, and that utilized the Thompson data.
12:13:55 23 And that report was sent, if I recall correctly,
12:13:59 24 to the CMD, so all of the Managing Directors and
14:04 25 to one or two other key contacts, which would have

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12:14:10 2 included Mary Jo Jacobi and I think would have
12:14:15 3 included the head of Planning, Planning &
12:14:18 4 Strategy.

12:14:19 5 BY MR. MACFALL:

12:14:19 6 Q Who was the head of Planning & Strategy
12:14:21 7 at that time?

12:14:24 8 A A variety when I began.

12:14:29 9 MR. SMITH: Maybe we could be clearer
12:14:30 10 about what the time frame is. Do you mean at the
12:14:32 11 time he started getting the Thompson data?

12:14:36 12 BY MR. MACFALL:

12:14:37 13 Q Yes, specifically.

12:14:40 14 A The Thompson data I think by then was a
12:14:43 15 lady called Lynn Elsenhaus.

12:15:06 16 Q Do you recall Ms. Elsenhaus' title at
12:15:10 17 the time?

12:15:10 18 A "Director of Group Strategy and Planning
12:15:14 19 and External Affairs," or something similar.

12:15:35 20 Q Separate and apart from providing data
12:15:38 21 from the Thompson surveys, did Investor Relations
12:15:45 22 have interaction with Ms. Elsenhaus -- I'm
12:15:52 23 sorry -- with the Director of Group Strategy &
12:15:54 24 Planning?

16:02 25 A I myself had interaction with whoever

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12:16:04 2 was in that position throughout the three plus
12:16:09 3 years I was in the role. Not really -- the rest
12:16:13 4 of my team didn't, really.

12:16:16 5 Q What was the nature of your interaction?

12:16:22 6 A During a given year we follow a typical
12:16:25 7 process for planning whereby early in the year we
12:16:30 8 would conduct a strategy review of competitive
12:16:34 9 positioning, a look at whether the appraisal of
12:16:39 10 the performance of the Business as to whether it
12:16:40 11 was delivering against the stated strategy. That
12:16:45 12 would then feed into the guidelines for the
12:16:47 13 current year planning process, which would then
12:16:50 14 feed into the preparation of the plan, which was
12:16:52 15 signed off by the end of the year.

12:16:54 16 Lynn or whoever was in that role was
12:16:56 17 responsible for that whole process, but from an
12:17:00 18 Investor Relations perspective I would contribute
12:17:02 19 to the competitive positioning to the changes in
12:17:04 20 the industry environment. And as the plan was
12:17:10 21 being prepared in the latter part of the year, I
12:17:14 22 would have a role in terms of commenting on the
12:17:18 23 quality of the -- again from a competitive
12:17:22 24 positioning against both what we expected from
12:17:27 25 competitors, like BP and Exxon, and what we

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believed the market expected from Shell, so I was giving feedback from market expectations.

Q What was the purpose of that report?

MR. SMITH: Objection to form.

THE WITNESS: There wouldn't necessarily be a particular report. I could be included in a discussion. I might sometimes do a written comment or an e-mail. And the first phase, the competitive positioning, we would typically provide something from Investor Relations about, again as I mentioned I think some time ago, how our performance was perceived in the market both against expectations for Shell and how were the companies performing. Quite often we would put that in writing.

BY MR. MACFALL:

Q Was this for ultimate use in a Planning & Strategy review? Was that a formalized report?

MR. SMITH: Objection to form.

THE WITNESS: This was a CMD-managed process. I wasn't party to all the CMD discussions. I was a contributor to the documents, but typically -- I am aware that the early part of the year there was a review of the

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12:19:00 2 competitive positioning industry developments that
12:19:05 3 would be considered by the CMD, which is the
12:19:12 4 Committee of Managing Directors, as they set
12:19:15 5 guidelines for the planning process of that year,
12:19:20 6 which may include, for example, investment levels,
12:19:25 7 and then beginning September, late September,
12:19:29 8 there would be a series of reviews at the CMD of
12:19:32 9 the plan as it was evolving against those
12:19:37 10 guidelines, and quite often I may comment on that
12:19:40 11 process as it evolved, usually with Judy more so
12:19:45 12 than with the Planning Director.

12:19:51 13 BY MR. MACFALL:

12:19:51 14 Q How were your comments communicated to
12:19:54 15 Ms. Boynton?

12:19:56 16 A Either by e-mail or verbally or, as was
12:20:02 17 previously mentioned, usually just by calling
12:20:05 18 around.

12:20:16 19 Q Now, with regard to the market
12:20:18 20 expectation issues in connection with that
12:20:23 21 planning process, what were your sources of
12:20:32 22 information?

12:20:32 23 MR. SMITH: Objection to form.

12:20:40 24 THE WITNESS: I had multiple sources of
12:41 25 information in putting that together. It included

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12:20:45 2 statements made by the competitors, presentations
12:20:48 3 they had made to the investors. It included
12:20:55 4 reports done by research analysts and typically
12:21:00 5 associated with an investment bank, and it
12:21:05 6 included just about every source of -- every
12:21:12 7 source of information we could access who may have
12:21:14 8 a view or opinion on the facts pertaining to the
12:21:18 9 performance of other companies, and this included
12:21:20 10 Shell staff who worked with them or in a similar
12:21:27 11 Business area; it included potentially suppliers
12:21:32 12 or customers; and it would include the media. We
12:21:40 13 built up our sources of information as well as
12:21:44 14 possible as any company would do about their
12:21:48 15 competitors, but we had, uh, we had a particular
12:21:51 16 perspective. We were one of several contributors
12:21:53 17 to that competitive positioning review. Our
12:21:58 18 perspective was primarily what did the market
12:22:01 19 think of each company's strengths and weaknesses.

12:22:12 20 BY MR. MACFALL:

12:22:12 21 Q Do you recall if ROACE was ever
12:22:24 22 discussed in connection with Shell's competitive
12:22:27 23 position in connection with this Planning &
12:22:29 24 Strategy review process?

12:22:32 25 A In which period?

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12:22:36 2 Q During your tenure at Investor

12:22:37 3 Relations.

12:22:40 4 A In the earlier years of the tenure, yes.

12:22:43 5 Q And by that do you mean 2001, 2002?

12:22:47 6 A Yes.

12:22:50 7 Q Did that change at some point?

12:22:52 8 A The relative emphasis changed.

12:23:01 9 Q Was there some other metric --

12:23:04 10 withdrawn. Was Shell's Reserve Replacement Ratio
12:23:14 11 discussed during this process?

12:23:19 12 MR. SMITH: Can we have a time frame?

12:23:22 13 BY MR. MACFALL:

12:23:23 14 Q Sure. During your tenure at IR.

12:23:25 15 A When I first joined IR, the key issues
12:23:29 16 the market was interested in were two things,
12:23:33 17 really: Return On Average Capital Employed and
12:23:50 18 production growth. The issue of Reserve
12:23:51 19 Replacement Ratio was never mentioned by any
12:23:56 20 investor to me for about I would say the first 16
12:23:59 21 months, because it just was not in the mindset of
12:24:02 22 any investor at that point in time. So I don't
12:24:09 23 recall specifically if Reserve Replacement Ratio
12:24:12 24 was included in the strategy and planning
12:24:15 25 discussions earlier in the process, but if it was,

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12:24:19 2 it would have been as more of an aside or a minor
12:24:25 3 issue. Key issues were production growth and
12:24:29 4 return on capital.

12:24:34 5 Q Did there come a time when reserve
12:24:37 6 replacement became more prominent in the Planning
12:24:42 7 & Strategy review process?

12:24:44 8 MR. SMITH: Objection to form.

12:24:51 9 THE WITNESS: From my perspective, it
12:24:53 10 would have become more important in the market
12:24:55 11 from around 2002 onwards, driven -- I mentioned
12:25:01 12 earlier the BP/Shell thing in the market. BP
12:25:07 13 fundamentally had a different reputation for
12:25:11 14 communicating into the market than Shell, one,
12:25:15 15 based on a much greater resource in time and
12:25:19 16 effort given to communications than Shell, and a
12:25:23 17 reputation for, if you like, setting the
12:25:26 18 communication agenda.

12:25:27 19 BP had set the production growth agenda
12:25:33 20 in 2002. I think you'll find from the record that
12:25:36 21 they issued four statements reducing the
12:25:38 22 production expectation for the year, thereby
12:25:42 23 meaning that they had to shift the agenda that the
12:25:47 24 market talked about, because they were also
12:25:49 25 falling behind on return on capital, particularly

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12:25:53 2 compared to Shell and Exxon, so the two things
12:25:55 3 that they had put into the public domain as being
12:25:58 4 the key metrics that the market should focus on,
12:26:05 5 they were losing out on. They were not delivering
12:26:07 6 the production.

12:26:08 7 Therefore, sometime earlier in 2002,
12:26:12 8 just as an indication, they fired the head of
12:26:14 9 Investor Relations and brought in a new guy from
12:26:19 10 the City, effectively, to readjust their
12:26:25 11 communications agenda while they were developing
12:26:29 12 their Russian deal. Clearly -- which was not
12:26:33 13 known in the market at the time, the Russian deal.
12:26:37 14 Clearly, they were not going to be successful
12:26:39 15 in -- production growth and ROACE were the key
12:26:44 16 parameters, so BP moved the conversation away from
12:26:47 17 production growth and toward reserves, because
12:26:49 18 they saw that as a competitive strength for them
12:26:53 19 relative to the other players in the market, and
12:26:55 20 from that point in time, the U.K. market, because
12:27:00 21 of the very strong influence of BP, had moved to a
12:27:03 22 consideration of reserves as being the more
12:27:07 23 important parameter than it previously had been.

12:27:15 24 BY MR. MACFALL:

12:27:16 25 Q Was the Reserves Replacement Ratio

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12:27:19 2 discussed in the U.S. markets?

12:27:23 3 MR. SMITH: Objection to form. Time
12:27:25 4 frame?

12:27:26 5 BY MR. MACFALL:

12:27:27 6 Q Early 2002 onward to the end of your
12:27:29 7 tenure at IR.

12:27:32 8 A To be clear, not in the first 15 months,
12:27:35 9 I don't recall really any discussion on Reserve
12:27:37 10 Replacement Ratio with any investors until 2002
12:27:44 11 time frame. Of note, shall I say. I talked to
12:27:46 12 investors about hundreds of things, but it was
12:27:48 13 never a major issue. From 2002 onwards, it became
12:27:53 14 more of an issue with investors around the world,
12:27:58 15 but it was initially the U.K. because of BP
12:28:03 16 driving the agenda, and I would say the U.S.
12:28:06 17 caught up as the 2002 -- because it was not
12:28:09 18 something we reported quarterly. It was reported
12:28:12 19 only once per year, so once the 2002 figures were
12:28:15 20 reported in January/February 2003, the U.S. market
12:28:19 21 was taking an interest as well.

12:28:22 22 MR. MACFALL: Why don't we go off the
12:28:24 23 record.

12:28:25 24 THE VIDEOGRAPHER: This marks the end of
12:28:26 25 Tape 1 in the deposition of Mr. Henry. We are

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12:28:29 2 going off the record. The time is 12:21 p.m.

12:28:38 3 (Whereupon, the lunch recess was taken.)

12:49:08 4 THE VIDEOGRAPHER: This marks the

01:23:55 5 beginning of Tape 2 in the deposition of

01:23:57 6 Mr. Henry. We are back on the record. The time

01:24:00 7 is 1:24 p.m.

01:24:04 8 BY MR. MACFALL:

01:24:04 9 Q Good afternoon, Mr. Henry.

01:24:06 10 A Good afternoon.

01:24:07 11 Q I'd like to now go back to the press

01:24:11 12 conferences that were conducted in conjunction

01:24:15 13 with the QRAs. I believe you indicated that

01:24:19 14 certain of those press conferences were webcast;

01:24:22 15 is that correct?

01:24:23 16 A Yes, I did.

01:24:28 17 Q Are you aware if that webcast or if

01:24:32 18 those webcasts were available worldwide?

01:24:37 19 A As far as I'm aware, they were available

01:24:39 20 worldwide.

01:24:41 21 Q Do you know if those webcasts were made

01:24:46 22 available for a specific period of time? In other

01:24:50 23 words, were they available for a certain amount of

01:24:53 24 time versus just being covered live and then no

01:24:57 25 longer available?

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01:25:01 2 A I don't recall for the press
01:25:02 3 conferences. It wasn't my area. Remember?

01:25:12 4 Q Just to go back and follow up on some of
01:25:15 5 the issues we discussed this morning, I believe
01:25:21 6 you indicated that as a result of some of the work
01:25:28 7 done by Thompson's, Shell discerned that there
01:25:33 8 were four countries in Continental Europe with
01:25:38 9 approximately equal ownership interest in Shell;
01:25:40 10 is that correct?

01:25:42 11 A That's correct.

01:25:43 12 MR. SMITH: Objection to form.

01:25:44 13 BY MR. MACFALL:

01:25:44 14 Q In addition to -- withdrawn. Was the
01:25:46 15 Netherlands one of those countries?

01:25:48 16 A The Netherlands was one of those
01:25:51 17 countries.

01:25:51 18 Q Could you identify the other three for
01:25:52 19 me, please.

01:25:53 20 A Switzerland, France and Germany.

01:26:07 21 Q Do you recall if the proportion of
01:26:08 22 ownership in Shell was approximately the same for
01:26:11 23 each of those four countries?

01:26:13 24 MR. SMITH: Objection to form.

01:26:16 25 THE WITNESS: To the best of my

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01:26:17 2 knowledge, as I remember it, for each country the
01:26:22 3 proportion varied between five and ten percent
01:26:24 4 over time, so sometimes one country would be
01:26:28 5 larger; another time a different country would be
01:26:31 6 larger.

01:26:39 7 BY MR. MACFALL:

01:26:40 8 Q Now, you previously testified concerning
01:26:41 9 the approximate level of ownership in the United
01:26:43 10 States. Do you recall -- and again the time
01:26:47 11 period is 2001 through 2004 -- the approximate
01:26:52 12 level of ownership in the U.K.?

01:26:56 13 MR. SMITH: Objection to form and
01:26:57 14 foundation. That's not his testimony.

01:27:03 15 MR. MACFALL: Withdrawn. I'll rephrase.

01:27:06 16 MR. FERRARA: If you're rephrasing, when
01:27:07 17 you're talking about "ownership," if we could get
01:27:10 18 some sense of what you mean by that.

01:27:16 19 MR. MACFALL: Sure.

01:27:17 20 BY MR. MACFALL:

01:27:18 21 Q Were any studies conducted or
01:27:19 22 commissioned by Investor Relations on behalf of
01:27:22 23 Shell which concluded that there was an equity --
01:27:35 24 withdrawn. Did the Thompson studies commissioned
01:27:40 25 by Shell analyze whether Shell shares or Royal

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01:27:49 2 Dutch/Shell shares were held by investors in the
01:27:53 3 United Kingdom?

01:27:54 4 MR. SMITH: Objection to form. Both
01:27:56 5 companies? "Royal Dutch/Shell" is a little bit
01:27:59 6 ambiguous.

01:27:59 7 BY MR. MACFALL:

01:28:00 8 Q Let's start with Shell and then come to
01:28:02 9 Royal Dutch.

01:28:04 10 A The data provided by Thompson's for the
01:28:08 11 U.K. market, unlike the U.S. market, would often
01:28:13 12 identify nominee shareholders, not the ultimate
01:28:21 13 beneficial owner. Thompson's is used to -- aimed
01:28:30 14 to look behind the nominee, and they would
01:28:33 15 identify the holder to the best of their ability.
01:28:37 16 When we looked at the holder from an Investor
01:28:39 17 Relations perspective, we were aware that some
01:28:42 18 people from outside the U.K. may well be holding
01:28:46 19 Shell Transport and Trading shares in the U.K.

01:28:48 20 There were no Royal Dutch shares held in
01:28:53 21 the U.K. of substance. It was a very small
01:28:57 22 number. They were not typically traded in the
01:28:59 23 U.K, so our focus was U.K. holders holding the
01:29:05 24 Shell Transport and Trading share on the London
01:29:07 25 market, we realized some U.K.-based shareholders

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01:29:11 2 would hold Royal Dutch shares on the Amsterdam
01:29:14 3 market as well, so it was a relatively complex
01:29:17 4 picture, and when we were -- our mindset was where
01:29:20 5 is the ultimate beneficiary, if not necessarily
01:29:24 6 the ultimate shareholder, uh, decision-maker. So
01:29:30 7 we were looking for where is the economic benefit,
01:29:34 8 the dividend flow, and where is the
01:29:37 9 decision-maker.

01:29:40 10 THE REPORTER: Where is the economic
01:29:40 11 benefit and what?

01:29:40 12 THE WITNESS: Dividend, the dividends or
01:29:40 13 the ultimate sale of the share. So it's overall
01:29:46 14 an inexact science, and we had many issues where
01:29:49 15 we would see a shareholder and -- to take an
01:29:52 16 example, Merrill Lynch would own some shares
01:29:54 17 potentially in the U.S. through the New York Stock
01:29:57 18 Exchange, and Merrill Lynch Investment Management
01:30:00 19 would own Shell Transport and Trading shares
01:30:04 20 through the U.K. Exchange through their U.K.-based
01:30:08 21 subsidiary. So when we were looking from our
01:30:11 22 perspective, how much is held in U.S., we would --
01:30:15 23 when I say "estimate," it generally is an estimate
01:30:19 24 of whether ultimately, say, a Merrill Lynch
01:30:22 25 subsidiary in the U.K., whether that would camp

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01:30:26 2 for us under, broadly speaking, U.S. or, broadly
01:30:28 3 speaking, U.K. When I was talking the 25 number
01:30:31 4 from our perspective, we were including that
01:30:36 5 particular example in the U.S. Even though it was
01:30:39 6 a U.K.-based subsidiary holding, the U.K. share's
01:30:44 7 on the London Exchange. It's a fairly complex
01:30:48 8 situation, but our aim ultimately was to find out
01:30:51 9 who the decision-makers were. Simple as that. I
01:30:54 10 imagine it matters where they were held.

01:30:56 11 BY MR. MACFALL:

01:30:56 12 Q Were you able to quantify the estimate
01:30:58 13 with regard to the decision-makers of the Shell
01:31:00 14 Transport shares held in the U.K.?

01:31:05 15 A It was always a significant percentage,
01:31:10 16 not which we could quantify. It would always be
01:31:14 17 over 50 percent.

01:31:28 18 Q I believe you previously stated that at
01:31:33 19 some point during your tenure at IR there was
01:31:39 20 efforts concerning ownership of Shell by investors
01:31:45 21 in Japan; is that correct?

01:31:49 22 MR. SMITH: Objection to form.

01:31:51 23 THE WITNESS: It's correct that I said
01:31:52 24 we did from time to time talk to Japanese
01:57 25 investors, including two visits to Tokyo.

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01:32:01 2

01:32:07 3

BY MR. MACFALL:

01:32:08 4

Q Who was responsible for speaking to

01:32:09 5

Japanese investors on behalf of Shell?

01:32:12 6

A I was ultimately responsible, and I did

01:32:13 7

one of the trips to Tokyo. In terms of my three

01:32:18 8

direct reports, Gerard Paulides, the London-based

01:32:28 9

individual, was most directly involved, because we

01:32:30 10

used Japanese brokers who were based in London, so

01:32:34 11

the contact was all through London.

01:32:49 12

Q After the Thompson reports were

01:32:54 13

commissioned by Shell, was Shell able to ascertain

01:33:01 14

the percentage, the approximate percentage of

01:33:05 15

ownership by U.S. investors who purchased on

01:33:09 16

foreign markets?

01:33:11 17

MR. SMITH: When you say "Shell," are

01:33:12 18

you focusing still on Shell Transport and Trading?

01:33:15 19

MR. MACFALL: I am.

01:33:16 20

MR. SMITH: Thank you.

01:33:18 21

THE WITNESS: The only market that would

01:33:20 22

have purchased them would have been London,

01:33:23 23

because that was the only market in which any

01:33:25 24

significant number of Shell Transport and Trading

01:33:27 25

shares were actually traded. We could tell --

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inasmuch as you can look through the nominee to the beneficial holder, we could tell which holders might be U.S.-based, such as Merrill Lynch, such as say Capital Group or Fidelity, and of those names, the ultimate holder, probably, the ultimate holder of the company that was investing would be in the U.S. The company that was investing was typically a U.K.-based subsidiary, Fidelity U.K., Merrill Lynch U.K., Goldman Sachs U.K., Goldman Sachs Asset Management U.K. Quite a few of these institutions that you would see as being U.S.-domiciled but acting in the London or European market and in the world's multinational, so they were not American citizens typically we were dealing with.

BY MR. MACFALL:

Q Do you recall if the level of ownership by U.S. investors who purchased in foreign markets was quantified during your tenure at IR?

MR. SMITH: Objection to form.

THE WITNESS: I don't -- I don't recall. Looking at it specifically, a lot of the data was available to make an estimate based on being able to look through the nominees, but it's not

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01:34:57 2 something we looked at and said, "That's the
01:34:59 3 number we want to aggregate and track."

01:35:02 4 BY MR. MACFALL:

01:35:03 5 Q Specifically with respect to the
01:35:04 6 Thompson reports, in addition to that particular
01:35:08 7 metric or measurement, do you recall what other
01:35:14 8 measures or metrics were reported?

01:35:20 9 MR. SMITH: Objection to form.

01:35:25 10 THE WITNESS: We were interested in the
01:35:26 11 major buyers and sellers. We were interested in
01:35:32 12 the level of concentration in terms of the big
01:35:36 13 shareholders, how many were there, the top ten
01:35:40 14 holding in each market, Europe, U.K., the U.S.
01:35:47 15 But primarily this was, for us, a driver of to
01:35:53 16 whom should we talk. It's about marketing. Which
01:35:56 17 of your customers should you target the next time
01:36:00 18 you did a road trip to, say, Geneva or to Boston.
01:36:04 19 We would use this information to identify both
01:36:08 20 recent market actions of the big players who we
01:36:14 21 would see anyway, and also to potentially identify
01:36:17 22 people who had not been active in the stock but
01:36:20 23 who might be, and aim to visit with the investors
01:36:27 24 like that. If that was our focus, we were not
01:36:31 25 particularly concerned with overall metrics of the

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01:36:34 2 kind that you are probing about. That wasn't the
01:36:41 3 purpose.

01:36:42 4 BY MR. MACFALL:

01:36:42 5 Q Do you recall -- withdrawn. Did the
01:36:48 6 Thompson reports indicate who were the largest
01:36:51 7 shareholders in Shell during your tenure at IR?

01:36:55 8 A Yes, they did, or at least inasmuch as
01:36:58 9 they could be identified. Bearer shares, for
01:37:03 10 example, we could not identify.

01:37:05 11 MR. SMITH: I think his question was
01:37:08 12 still Shell.

01:37:10 13 THE WITNESS: Oh, Shell Transport and
01:37:10 14 Trading, yes, I believe they did, because the
01:37:13 15 largest shareholders wouldn't necessarily use a
01:37:15 16 nominee.

01:37:17 17 BY MR. MACFALL:

01:37:18 18 Q Can you identify any of those
01:37:19 19 shareholders?

01:37:24 20 A I can mention some, but it varied over
01:37:26 21 time, of course. Barclays Global, which is an
01:37:31 22 index fund, would be typically there. We would
01:37:37 23 have seen Merrill Lynch Investment, Newton Asset
01:37:46 24 Management, Morley, Deutscher Asset Management.
38:05 25 I'm trying to think of The Big Scot. Scottish

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01:38:07 2 Widows, Standard Life, Ewell, Pioneer Investments.

01:38:20 3 Q Thank you. Did those reports identify
01:38:23 4 the largest shareholders with respect to Royal
01:38:25 5 Dutch?

01:38:26 6 A Yes, inasmuch as we could identify them
01:38:29 7 because of the bearer share issue.

01:38:32 8 Q Can you identify any of those
01:38:33 9 shareholders for me.

01:38:36 10 A Some in Europe and some in the U.S. In
01:38:39 11 the U.S. they would typically include Capital
01:38:42 12 Group, Fidelity, Putnam, State Street, Lazard and
01:38:57 13 Northern Trust. In Europe they would include ABN
01:39:04 14 Asset Management, a variety of Swiss banks, UBS
01:39:14 15 Asset Management, Credit Suisse Asset Management,
01:39:20 16 Lombard Odier, Daria Hench. Some of the French
01:39:30 17 investors; Axa, for example. The big German
01:39:39 18 investors: Deag and Deutscher Asset, of course.
01:39:49 19 It varied over time. Schroeder's was another U.K.
01:39:55 20 one that springs to mind.

01:40:10 21 Q With respect to Royal Dutch as opposed
01:40:13 22 to Shell, do you recall the approximate --
01:40:17 23 withdrawn. With respect to Royal Dutch, do you
01:40:20 24 recall the proportion of U.S. investors versus
01:40:25 25 Continental European investors versus investors

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01:40:30 2 from the United Kingdom during the period 2002 to
01:40:33 3 2004?

01:40:34 4 MR. FERRARA: Let me ask a point of
01:40:34 5 clarification. When you're saying U.S. investors,
01:40:36 6 this witness, as I hear him, is distinguishing
01:40:39 7 between a U.S. person who bought in a non-U.S.
01:40:42 8 account overseas from a U.S. investor who
01:40:46 9 purchases in a U.S. account but happens to execute
01:40:49 10 overseas. You keep talking about a U.S. investor
01:40:55 11 without making the distinction that this witness
01:40:57 12 has made.

01:40:58 13 MR. MACFALL: That's a fair distinction,
01:41:00 14 so why don't I break it down.

01:41:02 15 BY MR. MACFALL:

01:41:02 16 Q Were you able to ascertain from the
01:41:05 17 Thompson report -- withdrawn. Did the Thompson
01:41:09 18 reports provide data concerning the number of U.S.
01:41:18 19 investors who purchased shares of Royal Dutch on
01:41:22 20 U.S. exchanges during your tenure at IR?

01:41:31 21 A Yes, it identified the U.S.-based
01:41:38 22 investors who were trading on New York Stock
01:41:41 23 Exchange in the holdings that they had in Royal
01:41:42 24 Dutch Petroleum. It would also identify the much
01:41:46 25 smaller number and much less liquid number of ADRs

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01:41:55 2 of Shell Transport and Trading that were also
01:41:58 3 available on the New York Exchange.

01:42:03 4 Q Can you provide a range with respect
01:42:06 5 to -- of ownership with respect to U.S. investors
01:42:10 6 who purchased shares of Royal Dutch by U.S.
01:42:13 7 exchanges?

01:42:14 8 MR. SMITH: Objection to form.

01:42:21 9 THE WITNESS: I had spoken earlier of
01:42:23 10 the 25 plus. That was our overall estimate of
01:42:26 11 U.S. investors on both exchanges, so the U.S. on
01:42:31 12 the New York Stock Exchange alone, just in Royal
01:42:35 13 Dutch, not Shell Transport and Trading, which was
01:42:38 14 only 60 percent of the Group, we could identify
01:42:47 15 the total number of shares trading in the U.S.,
01:42:52 16 and because of those, Royal Dutch was split
01:42:54 17 between Amsterdam and New York. And if my memory
01:42:57 18 serves me right, that was 30, 40 percent of the
01:43:07 19 total, dependent on the time. That's of total
01:43:11 20 Royal Dutch, not of the Shell Group, and that's
01:43:14 21 one that was reducing over time during my period
01:43:17 22 in IR that I think would have fallen maybe as low
01:43:23 23 as 25 percent towards the end of the period, so
01:43:31 24 25 percent of Royal Dutch, which was 60 percent of
01:43:33 25 the Group.

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01:43:33 2

01:43:34 3 BY MR. MACFALL:

01:43:38 4 Q Now, with respect to U.S. investors
01:43:43 5 purchasing shares of Royal Dutch on foreign
01:43:45 6 exchanges, was that data reported in the Thompson
01:43:49 7 reports?

01:43:51 8 MR. SMITH: Objection to form.

01:43:53 9 THE WITNESS: What we could see was
01:43:55 10 that, for example, Merrill Lynch Investment
01:43:57 11 Management had bought and sold on the London
01:43:59 12 Exchange. That we could see. And what we
01:44:02 13 believed, because of our ongoing relationship with
01:44:05 14 Merrill Lynch Investment Management in the City of
01:44:08 15 London, was that those decisions were being made
01:44:11 16 in London.

01:44:13 17 What I don't know, nor could ever know,
01:44:16 18 was the relationship between Merrill Lynch in
01:44:19 19 London and Merrill Lynch in New York and what was
01:44:22 20 the overall decision-making process, but for
01:44:26 21 London-based shares we talked to the London
01:44:30 22 office. Same with Goldman Sachs and Fidelity and
01:44:37 23 Lehman Asset Management, almost anybody, any of
01:44:39 24 the U.S.-based big investors would have a London
01:44:42 25 office, and that's who we spoke to about trades in

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01:44:47 2 the London market, and then we would see the U.S.
01:44:51 3 arm when we came over.

01:44:52 4 So I don't know where the ultimate
01:44:54 5 investment decision was made, and I'm sure it was
01:44:58 6 different for each organization. Capital Group we
01:45:01 7 knew were trading in London. They were our
01:45:04 8 largest shareholder for quite a period, and
01:45:09 9 Capital Group's decision-making structure and
01:45:12 10 shareholding structure was opaque to us. We could
01:45:17 11 not necessarily identify which part of Capital was
01:45:22 12 making which decision and which -- but we knew,
01:45:27 13 broadly speaking, which of their investment
01:45:29 14 vehicles had made the purchase.

01:45:38 15 BY MR. MACFALL:

01:45:38 16 Q Based on that answer, were you unaware
01:45:43 17 of the estimate of -- withdrawn. Did Thompson's
01:45:58 18 provide any estimate of U.S. investors purchasing
01:46:05 19 shares of Royal Dutch on foreign exchanges based
01:46:08 20 on the decision-making criteria you just
01:46:11 21 described?

01:46:12 22 MR. SMITH: Objection to form.

01:46:19 23 THE WITNESS: Based on the
01:46:19 24 decision-making criteria of who was making the
01:46:22 25 call, no, Thompson's could not. Thompson's could