

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA	§	
	§	
v.	§	CRIMINAL NO.:
	§	
SHELL NIGERIA EXPLORATION AND PRODUCTION COMPANY LTD.	§	
	§	
	§	
Defendant.	§	

DEFERRED PROSECUTION AGREEMENT

The United States Department of Justice, Criminal Division, Fraud Section (“the Department”), defendant Shell Nigeria Exploration and Production Company Ltd. (“SNEPCO”), a Nigerian corporation, by its undersigned attorneys, and Royal Dutch Shell plc (“RDS”), on behalf of its wholly-owned subsidiary SNEPCO, enter into this Deferred Prosecution Agreement (“the Agreement”). The terms and conditions of this Agreement are as follows:

Criminal Information and Acceptance of Responsibility

1. SNEPCO acknowledges that the United States will file the attached two-count criminal Information (“the Information”) in the United States District Court for the Southern District of Texas charging SNEPCO with conspiracy to

commit an offense against the United States in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery provision of the Foreign Corrupt Practices Act ("FCPA"), as amended, Title 15, United States Code, Section 78dd-3, and to violate the books and records provisions of the FCPA, Title 15, United States Code, Sections 78m (b)(2)(A), 78m(b)(5), and 78ff(a) (Count One), and with aiding and abetting a violation of the books and records provisions of the FCPA, Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff(a) (Count Two).

2. SNEPCO knowingly waives: (a) its right to indictment on these charges, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) any objection with respect to venue and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Southern District of Texas.

3. SNEPCO admits, accepts, and acknowledges that it is responsible for the acts of its officers, employees, subsidiaries, and agents as charged in the Information, and that the allegations described in the Information and the facts described in the attached Statement of Facts (Attachment B) are true and accurate.

Should the Department pursue the prosecution that is deferred by this Agreement, SNEPCO agrees that it will neither contest the admissibility of nor contradict the Statement of Facts in any such proceeding, including any guilty plea or sentencing.

Term of the Agreement

4. This Agreement is effective for a period beginning on the date on which the criminal Information is filed and ending three (3) years and seven (7) calendar days from that date (the "Term"). However, SNEPCO agrees that, in the event that the Department determines, in its sole discretion, that SNEPCO has knowingly violated any provision of this Agreement, an extension or extensions of the Term of the Agreement may be imposed by the Department for up to a total additional time period of one year, without prejudice to the Department's right to proceed as provided in Paragraphs 18-21 below. Any extension of the Agreement extends all terms of this Agreement for an equivalent period. Conversely, in the event the Department finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the corporate compliance reporting obligation described in Paragraph 15 and Attachment D, and that the other provisions of this Agreement have been satisfied, the Term of the Agreement may be terminated early.

Relevant Considerations

5. The Department enters into this Agreement based on the individual facts and circumstances presented by this case and SNEPCO. Among the facts considered were: (a) SNEPCO and RDS cooperated with the Department's investigation of SNEPCO and RDS entities; (b) SNEPCO and RDS undertook remedial measures, including the implementation of an enhanced compliance program, and agreed to undertake further remedial measures as contemplated by this Agreement; (c) SNEPCO and RDS agreed to continue to cooperate with the Department in any ongoing investigation of the conduct of SNEPCO and its directors, employees, agents, consultants, contractors, subcontractors, subsidiaries, affiliates, and others relating to violations of the FCPA; and (d) the impact on SNEPCO and other RDS entities, including collateral consequences, of a guilty plea or criminal conviction.

6. During the Term of this Agreement and consistent with the applicable laws and regulations, SNEPCO, and RDS on behalf of SNEPCO, shall continue to cooperate fully with the Department in any and all matters relating to corrupt payments, related false books and records, and inadequate internal controls. At the request of the Department, and consistent with applicable law and regulations, SNEPCO and RDS shall also cooperate fully with other domestic or foreign law

enforcement authorities and agencies as well as the Multilateral Development Banks ("MDBs"), in any investigation of SNEPCO, or any of its present and former directors, employees, agents, consultants, contractors, subcontractors, subsidiaries, affiliates, or any other party, in any and all matters relating to corrupt payments and related false books, records, and inadequate internal controls. SNEPCO, and RDS on behalf of SNEPCO, agrees that its cooperation shall include, but is not limited to, the following:

a. SNEPCO and RDS shall truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to its activities and those of its present and former directors, officers, employees, agents, consultants, contractors, subcontractors, and subsidiaries concerning all matters relating to corrupt payments and related false books and records and inadequate internal controls, about which SNEPCO has any knowledge and about which the Department may inquire. This obligation of truthful disclosure includes the obligation of SNEPCO to provide to the Department, upon request, any document, record or other tangible evidence relating to such corrupt payments, false books and records, or inadequate internal controls about which the Department may inquire of SNEPCO.

b. Upon request of the Department, with respect to any issue

relevant to its investigation of corrupt payments in connection with the operations of SNEPCO, related false books and records, and inadequate internal controls, SNEPCO or RDS shall designate knowledgeable employees, agents, or attorneys to provide to the Department the information and materials described in Paragraph 6(a) above on behalf of SNEPCO. It is further understood that SNEPCO and RDS must at all times provide complete, truthful, and accurate information.

c. With respect to any issue relevant to the Department's investigation of corrupt payments, related false books, records, and accounts, and inadequate internal controls in connection with the operations of SNEPCO, or any of its present or former subsidiaries or affiliates, SNEPCO and RDS shall use their best efforts to make available for interviews or testimony, as requested by the Department, present or former directors, officers, employees, agents, consultants, contractors, and subcontractors of SNEPCO and RDS. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement and regulatory authorities. Cooperation under this Paragraph will include identification of witnesses who, to the knowledge of SNEPCO or RDS, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents,

records, or other tangible evidence provided to the Department pursuant to this Agreement, SNEPCO and RDS consent to any and all disclosures consistent with applicable law and regulation to other governmental authorities, including United States authorities and those of a foreign government, and the MDBs, of such materials as the Department, in its sole discretion, shall deem appropriate.

Payment of Monetary Penalty

7. The Department and SNEPCO agree that the application of the United States Sentencing Guidelines (“USSG” or “Sentencing Guidelines”) to determine the applicable fine range yields the following analysis:

- a. The 2009 USSG Manual sets forth the appropriate guidelines to be used in this matter.
- b. Base Offense. Based upon USSG § 2C1.1, the total offense level is 34, calculated as follows:

(a)(2)	Base Offense Level	12
(b)(1)	Specific Offense Characteristic (More than one bribe)	+2
(b)(2)	Specific Offense Characteristic (Value of Benefit Received > \$7,000,000)	+20
	TOTAL	<hr/> 34

c. Base Fine. Based upon USSG § 8C2.4(a)(1), the base fine is \$28,500,000 (fine corresponding to the Base Offense level as provided in Offense Level Table).

d. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 6, summarized as follows:

(a)	Base Culpability Score	5
(b)(3)	Involvement in or Tolerance of Criminal Activity The unit of the organization within which the offense was committed had 200 or more employees and tolerance of the offense by substantial authority personnel was pervasive throughout such unit.	+3
(g)	Self Reporting, Cooperation, and Acceptance of Responsibility The organization fully cooperated in the investigation and clearly demonstrated recognition and affirmative acceptance of responsibility for criminal conduct.	<u>-2</u>
TOTAL		6

e. Calculation of Fine Range. Based upon USSG § 8C2.7, the fine range is calculated as follows:

Base Fine	\$28.5 million
Multipliers	1.2/ 2.4
Fine Range	\$34.2million/ \$68.4 million

8. SNEPCO and RDS agree that SNEPCO shall pay a monetary penalty

in the amount of \$30 million. SNEPCO and RDS agree to pay this monetary penalty to the United States Treasury within ten days of the filing of this agreement in the U.S. District Court for the Southern District of Texas. The \$30 million penalty is final and shall not be refunded.

9. Nothing in this Agreement shall be deemed an agreement by the Department that the \$30 million amount is the maximum penalty that may be imposed in any future prosecution, and the Department is not precluded from arguing in any future prosecution that the Court should impose a higher fine, although the Department agrees that under those circumstances, it will recommend to the Court that the amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment.

10. SNEPCO and RDS acknowledge that no United States tax deduction may be sought in connection with the payment of any part of this \$30 million fine.

Conditional Release from Criminal Liability

11. In return for the full and truthful cooperation of SNEPCO and RDS as described in Paragraphs 5 and 6 above, and its compliance with the other terms and conditions of this Agreement, the Department agrees, subject to Paragraphs 18-21 below, not to use any information related to the conduct described in the attached Statement of Facts against SNEPCO, RDS, or any of their wholly-owned or

controlled subsidiaries or affiliates in any criminal case, except: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. In addition, the Department agrees, except as provided herein, that it will not bring any criminal case against SNEPCO, RDS, Shell International Exploration and Production Inc., or any of their subsidiaries or affiliates related to the conduct of present and former directors, officers, employees, agents, consultants, contractors, and subcontractors, as described in the attached Statement of Facts, or relating to information SNEPCO or RDS disclosed to the Department prior to October 25, 2010.

a. This Paragraph does not provide any protection against prosecution for any corrupt payments, false books or records, or inadequate internal controls, if any, by SNEPCO in the future.

b. In addition, this Paragraph does not provide any protection against prosecution of any present or former director, officer, employee, shareholder, agent, consultant, contractor, or subcontractor of SNEPCO for any violations committed by them.

Corporate Compliance Program and Reporting

12. SNEPCO, and RDS on behalf of SNEPCO, represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws throughout RDS's operations, including those of its subsidiaries, affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include interacting with foreign officials and engaging in other high risk activities.

13. In order to address any deficiencies in its internal controls, policies, and procedures regarding compliance with the FCPA and other applicable anti-corruption laws, SNEPCO and RDS represent that they have undertaken, and will continue to undertake in the future, in a manner consistent with all of their obligations under this Agreement, a review of the existing internal controls, policies, and procedures within SNEPCO and RDS. Where necessary and appropriate, SNEPCO and RDS will adopt new or modify existing internal controls, policies, and procedures in order to ensure that SNEPCO and RDS maintain: (a) a system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code designed to detect and deter violations of

the FCPA and other applicable anti-corruption laws. The internal controls system and compliance code will include, but not be limited to, the minimum elements set forth in Attachment C, which is incorporated by reference into this Agreement.

14. The implementation and maintenance of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes not disclosed to the Department as of the date of signing of this Agreement for which SNEPCO and RDS would otherwise be responsible.

15. RDS, on behalf of SNEPCO, agrees that on an annual basis during the Term of this Agreement, as further described in Attachment D, RDS shall provide a written report to the Department on its progress and experience in maintaining and, as appropriate, enhancing its compliance policies and procedures.

Deferred Prosecution

16. In consideration of: (a) the past and future cooperation of SNEPCO and RDS described in Paragraphs 5 and 6 above; (b) SNEPCO's payment of a monetary penalty of \$30 million; and (c) SNEPCO's, and RDS's, adoption and maintenance of enhanced compliance measures, the Department agrees that any prosecution of SNEPCO for the conduct set forth in the attached Statement of Facts, and for the conduct that SNEPCO disclosed to the Department prior to the signing of this Agreement, be and hereby is deferred for the Term of this

Agreement.

17. The Department further agrees that if SNEPCO and RDS fully comply with all of its obligations under this Agreement, the Department will not continue the criminal prosecution against SNEPCO described in Paragraph 1 and, at the conclusion of the Term, this Agreement shall expire. Within thirty (30) days of the Agreement's expiration, the Department shall seek dismissal with prejudice of the Information filed against SNEPCO described in Paragraph 1.

Breach of the Agreement

18. If, during the Term of this Agreement, the Department determines, in its sole discretion, that SNEPCO or RDS has (a) committed any felony under federal law subsequent to the signing of this Agreement, (b) at any time, provided deliberately false, incomplete or misleading information, or (c) otherwise breached the Agreement, SNEPCO and RDS shall thereafter be subject to prosecution for any federal criminal violation of which the Department has knowledge and the Information described in Paragraph 1 may be pursued by the Department in the U.S District Court for the Southern District of Texas. Any such prosecution may be premised on information provided by SNEPCO or RDS. In the event of a breach of this Agreement by SNEPCO, should the Department elect to pursue

criminal charges, or any civil or administrative action that was not filed as a result of this Agreement, then:

a. SNEPCO and RDS agrees that any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against SNEPCO and RDS notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, SNEPCO and RDS agree that the statute of limitations with respect to any prosecution that is not time-barred on the date of this Agreement shall be tolled for the Term plus one year;

b. SNEPCO and RDS expressly acknowledge and incorporate by reference the Tolling Agreement and Tolling Agreement Extensions that have previously been entered into between RDS entities and the Department; and

c. SNEPCO and RDS waive all defenses based on the statute of limitations, any claim of preindictment delay, any speedy trial claim with respect to any such prosecution or action, except to the extent that such defenses existed as of the date of the signing of this Agreement or may arise after the conclusion of the tolling period described in subparagraphs 18(a) and 18(b) above.

19. In the event that the Department determines that SNEPCO or RDS

have breached this Agreement, the Department agrees to provide SNEPCO and RDS with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, SNEPCO and RDS shall have the opportunity to respond to the Department in writing to explain the nature and circumstances of such breach, as well as the actions SNEPCO and RDS have taken to address and remediate the situation, which explanation the Department shall consider in determining whether to institute a prosecution.

20. In the event that the Department determines that SNEPCO or RDS have breached this Agreement: (a) all statements made by or on behalf of SNEPCO or RDS to the Department or to the Court, including the attached Statement of Facts, and any testimony given by SNEPCO or RDS before a grand jury or any tribunal, at any legislative hearings, whether prior or subsequent to this Agreement, or any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Department against SNEPCO; and (b) SNEPCO and RDS shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence or any other federal rule, that statements made by or on behalf of SNEPCO or RDS prior or subsequent to this Agreement,

and any leads derived therefrom, should be suppressed. The decision whether conduct or statements of any individual will be imputed to SNEPCO or RDS for the purpose of determining whether SNEPCO or RDS has violated any provision of this Agreement shall be in the sole discretion of the Department.

21. SNEPCO and RDS acknowledge that the Department has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if SNEPCO or RDS breach this Agreement and this matter proceeds to judgment. SNEPCO further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

Sale or Merger of SNEPCO

22. SNEPCO and RDS agree that in the event either sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a stock or asset sale, merger, or transfer, it shall include in any contract for sale, merger, or transfer a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement.

Public Statements by SNEPCO

23. SNEPCO, and RDS on behalf of SNEPCO, expressly agree that they shall not, through present or future attorneys, directors, officers, employees, agents, or any other person authorized to speak for SNEPCO or RDS make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by SNEPCO set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights of SNEPCO described below, constitute a breach of this Agreement and SNEPCO thereafter shall be subject to prosecution as set forth in Paragraphs 18-21 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to SNEPCO or RDS for the purpose of determining whether SNEPCO has breached this Agreement shall be at the sole discretion of the Department. If the Department determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Department shall so notify SNEPCO and RDS, and SNEPCO and RDS may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days after notification. Consistent with the obligations of SNEPCO as set forth above, SNEPCO and RDS shall be permitted to raise defenses and to assert affirmative

claims in civil, regulatory, or foreign proceedings relating to the matters set forth in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former employee of SNEPCO or RDS in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of SNEPCO or RDS.

24. SNEPCO and RDS agree that if either or any of their direct or indirect affiliates or subsidiaries issues a press release in connection with this Agreement, SNEPCO and RDS shall first consult the Department to determine whether (a) the text of the release is true and accurate with respect to matters between the Department and SNEPCO and RDS; and (b) the Department has no objection to the release. Nothing herein shall limit the right of SNEPCO and RDS to make truthful disclosures required by applicable securities laws and regulations.

Limitations on Binding Effect of Agreement

25. This Agreement is binding on SNEPCO and RDS and the Department but specifically does not bind any other federal agencies, or any state, local, or foreign law enforcement or regulatory agencies, or any other authorities, although the Department will bring the cooperation of SNEPCO and RDS and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities, if requested to do so by SNEPCO.

Notice

26. Any notice to the Department under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, in each case, for the Department, addressed to Deputy Chief-FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, Fourth Floor, 1400 New York Avenue, N.W., Washington, D.C. 20005 and, for SNEPCO, addressed to The Country Head of Legal & Company Secretary, Freeman House, 21/22, Marina, Lagos, Nigeria, for RDS, addressed to Legal Director, P.O. Box 162, 2501 AN, The Hague, The Netherlands, and Ralph C. Ferrara, Dewey & LeBoeuf LLP, 1101 New York Avenue, N.W., Suite 1100, Washington, D.C. 20005. Notice shall be effective upon actual receipt by SNEPCO and RDS.

Complete Agreement

27. This Agreement sets forth all the terms of the agreement between SNEPCO, RDS, and the Department. No amendments, modifications, or additions to this Agreement shall be valid unless they are in writing and signed by the Department, the attorneys for SNEPCO, and a duly authorized representative of SNEPCO.

AGREED:

FOR THE

DEPARTMENT OF JUSTICE:

DENIS J. McINERNEY
Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: November 1, 2010

By:

Stacey K. Luck
Stacey K. Luck
Senior Trial Attorney

United States Department of Justice
Criminal Division, Fraud Section
1400 New York Ave., N.W.
Washington, D.C. 20005
Tel: (202) 514-5650

**FOR SHELL NIGERIA
EXPLORATION AND PRODUCTION
COMPANY LTD. ("SNEPCO")**

Date: Nov. 1

By: 

Tunji Mayaki
Country Head of Legal and
Company Secretary
SNEPCO

Date: Nov. 2

By: 

Ralph C. Ferrara
Christopher J. Clark
Dewey & LeBoeuf LLP
Counsel for SNEPCO

FOR ROYAL DUTCH SHELL PLC

Date: _____

By: _____

Beat Hess
Legal Director
Royal Dutch Shell plc

Date: _____

By: _____

Ralph C. Ferrara
Christopher J. Clark
Dewey & LeBoeuf LLP
Counsel for SNEPCO
Counsel for Royal Dutch Shell plc

Filed at Houston, Texas, on this 4th day of Nov, 2010.

**FOR SHELL NIGERIA
EXPLORATION AND PRODUCTION
COMPANY LTD. ("SNEPCO")**

Date: _____

By: _____
Tunji Mayaki
Country Head of Legal and
Company Secretary
SNEPCO

Date: _____

By: _____
Ralph C. Ferrara
Christopher J. Clark
Dewey & LeBoeuf LLP
Counsel for SNEPCO

FOR ROYAL DUTCH SHELL PLC

Date: 2 Nov 2010

By: _____
Beat Hess
Legal Director
Royal Dutch Shell plc

Date: Nov. 2

By: _____
Ralph C. Ferrara
Christopher J. Clark
Dewey & LeBoeuf LLP
Counsel for SNEPCO
Counsel for Royal Dutch Shell plc

Filed at Houston, Texas, on this 4th day of Nov, 2010.


LEGAL COUNSEL'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for Shell Nigeria Exploration and Production Company Ltd. ("SNEPCO"). I understand the terms of this Agreement and voluntarily agree, on behalf of SNEPCO, to each of its terms. Before signing this Agreement, I consulted outside counsel for SNEPCO. Counsel fully advised me of the rights of SNEPCO, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed the terms of this Agreement with the Board of Directors of SNEPCO. I have advised and caused outside counsel for SNEPCO to advise the Board of Directors fully of the rights of SNEPCO, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of SNEPCO, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am Legal Counsel for SNEPCO that I have been duly authorized by SNEPCO to execute this Agreement on behalf of SNEPCO.

Date: Nov. 1, 2010

By: 
Tunji Mayaki
Country Head of Legal and Company Secretary
SNEPCO

LEGAL DIRECTOR'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for Royal Dutch Shell plc ("RDS"). I understand the terms of this Agreement and voluntarily agree, on behalf of RDS, to each of its terms. Before signing this Agreement, I consulted outside counsel for RDS. Counsel fully advised me of the rights of RDS, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.


I have carefully reviewed the terms of this Agreement with the Board of Directors of RDS. I have advised and caused outside counsel for RDS to advise the Board of Directors fully of the rights of RDS, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of RDS, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter.

I certify that I am Legal Director for RDS that I have been duly authorized by RDS to execute this Agreement on behalf of RDS.

Date: 2 Nov, 2010

By:


Beat Hess
Legal Director
Royal Dutch Shell plc

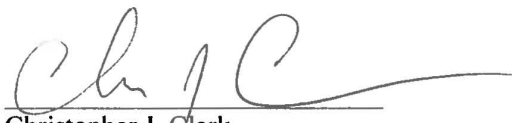
CERTIFICATE OF COUNSEL

I am counsel for Shell Nigeria Exploration and Production Company Ltd. ("SNEPCO") and Royal Dutch Shell plc ("RDS") in the matter covered by this Agreement. In connection with such representation, I have examined relevant SNEPCO and RDS documents and have discussed the terms of this Agreement with the SNEPCO and RDS Board of Directors. Based on my review of the foregoing materials and discussions, I am of the opinion that: the representative of SNEPCO and RDS have been duly authorized to enter into this Agreement on behalf of SNEPCO and RDS and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of SNEPCO and RDS and is a valid and binding obligation of SNEPCO and RDS. Further, I have carefully reviewed the terms of this Agreement with the Board of Directors, the Legal Counsel of SNEPCO, and the Legal Director of RDS. I have fully advised them of the rights of SNEPCO and RDS, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

To my knowledge, the decision of SNEPCO and RDS to enter into this Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one.

Date: Nov. 1, 2010

By:



Christopher J. Clark
Dewey & LeBoeuf LLP
Counsel for Shell Nigeria Exploration and Production
Company Ltd. and Royal Dutch Shell plc



WHEREAS, Shell Nigeria Exploration and Production Company Ltd. (the “Company”) has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section (“the Department”) about certain illegal payments to foreign officials to facilitate the award of contracts and assist in obtaining business for the Company; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Department; and

WHEREAS, the Company’s Legal Counsel, John Olatunji Mayaki, together with outside counsel for the Company, have advised the Board of Directors of the Company of its rights, possible defenses, the Sentencing Guidelines’ provisions, and the consequences of entering into such agreement with the Department;

Therefore, the Board of Directors has RESOLVED that:

1. The Company (i) consents to the filing in the United States District Court for the Southern District of Texas of a two-count Information charging it with conspiracy to commit an offense against the United States in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery provision of the Foreign Corrupt Practices Act (“FCPA”), as amended, Title 15, United States Code, Section 78dd-3, and to violate the books and records provisions of the FCPA, Title 15, United States Code, Sections 78m (b)(2)(A), 78m(b)(5), and 78ff(a) (Count One), and with aiding and abetting a violation of the books and records provisions of the FCPA,

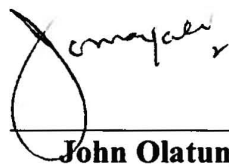
Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff(a) (Count Two); (ii) waives indictment on such charges and enters into a Deferred Prosecution Agreement with the Department; and (iii) agrees to accept a monetary penalty against the Company of \$30 million and to pay \$30 million to the United States Treasury with respect to the conduct described in the Information;

2. The Legal Counsel of the Company, John Olatunji Mayaki, is hereby authorized, empowered, and directed, on behalf of the Company, to execute the Deferred Prosecution Agreement substantially in such form as reviewed by this Board of Directors at this meeting with such changes as the Legal Director of the Company's parent may approve;

3. The Legal Counsel of the Company, John Olatunji Mayaki, is hereby authorized, empowered, and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms, or provisions of any agreement or other documents as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions; and

4. All of the actions of the Legal Counsel of the Company, John Olatunji Mayaki, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

Date: 18th October 2010



John Olatunji Mayaki
Country Head of Legal & Company Secretary
Shell Nigeria Exploration and Production Company Ltd.

ROYAL DUTCH SHELL PLC

CERTIFICATE OF CORPORATE RESOLUTION

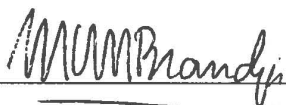
I, Michiel Christofoor Maria Brandjes, do hereby certify that I am the duly appointed, qualified and acting Company Secretary of Royal Dutch Shell plc ("the Company"), a company incorporated in England & Wales having its registered office at Shell Centre, London SE1 7NA, United Kingdom and its Headquarters at Carel van Bylandtlaan 30, The Hague, The Netherlands ("the Principal"), and that the following is a complete and accurate copy of a resolution adopted by the Board of Directors of the Company on October 27, 2010:

Following advice from the General Counsel and external counsel for the Company of its rights, possible defences, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement, it was RESOLVED that:

- (i) The Company hereby agrees to the terms of the Deferred Prosecution Agreement; and
- (ii) Beat Wilhelm Hess, General Counsel to the Company, failing whom Michiel Christofoor Maria Brandjes, General Counsel Corporate and Company Secretary, be and is hereby authorized, empowered, and directed to:
 - execute the Deferred Prosecution Agreement, the General Counsel's Certificate, and any other documents that may be necessary and appropriate to carry out the intent of the foregoing, substantially in such form as reviewed by the Board of Directors at its meeting held on October 27, 2010, with any such changes as he may approve; and
 - take any and all actions as may be necessary or appropriate to carry out the intent of the foregoing resolutions.

I further certify that the aforesaid resolution has not been amended or revoked in any respect and remains in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate this 28th day of October, 2010.

By: 

Michiel C.M. Brandjes
Company Secretary
Royal Dutch Shell plc

ATTACHMENT B

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (“the Agreement”) between the United States Department of Justice, Criminal Division, Fraud Section (“the Department”) and Shell Nigeria Exploration and Production Company Ltd. (“SNEPCO”), and the parties hereby agree and stipulate that at all times relevant to the facts described herein, the following information is true and accurate. As set forth in Paragraph 2 of the Agreement, SNEPCO admits, accepts, and acknowledges that it is responsible for the acts of its subsidiaries, subcontractors, employees, and agents as set forth below.

Should the Department pursue the prosecution that is deferred by this Agreement, SNEPCO agrees that it will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding.

If this matter were to proceed to trial, the Department would prove beyond a reasonable doubt, by admissible evidence, the facts alleged below and set forth in the criminal Information filed in this matter. This evidence would establish the following:

Overview

1. At all relevant times, Royal Dutch Shell plc ("RDS"), or its predecessors Royal Dutch Petroleum Company, a Dutch company, and the Shell Transport and Trading Company, an English company, owned a global group of energy and petrochemicals companies (collectively referred to as the "Shell Group") operating in more than 90 countries, including Nigeria. The Shell Group through SNEPCO, among other entities, endeavored to explore and produce oil in the first deepwater project in Nigeria (hereinafter referred to as the "Bonga Project").

2. Between in or around March 2004, through in or around November 2006, during the construction phase of development, SNEPCO paid over \$2 million to its subcontractors and agents for customs clearance services with the knowledge and intent that some or all of the money was to reimburse the subcontractors for money paid to Nigerian Customs Services to expedite the delivery of materials by inducing the officials to circumvent the official Nigerian customs clearance process and to provide an improper advantage with respect to the importation of certain tools and materials that were imported into Nigeria. As a result of the payment of the bribes, certain SNEPCO employees knew that official Nigerian duties, taxes, and penalties would not be paid when the items were

imported.

3. The purpose of the improper payments was achieved and, in turn, SNEPCO received a financial benefit of over \$7 million.

4. The bribes were falsely characterized by SNEPCO in their internal books, records, and accounts, as legitimate customs clearance charges which were, in turn, consolidated into the books, records, and accounts of RDS which were filed with the U.S. Securities and Exchange Commission (SEC).

The Foreign Corrupt Practices Act

5. The Foreign Corrupt Practices Act of 1977, as amended, Title 15, United States Code, Section 78dd-1, *et seq.* ("FCPA"), was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official for the purpose of obtaining or retaining business or securing any improper advantage.

6. Furthermore, the FCPA required any issuer of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, Title 15, United States Code, Section 781 ("the Exchange Act"), to make and keep books, records, and accounts that accurately and fairly reflect transactions and

disposition of the company's assets and prohibited the knowing falsification of an issuer's books, records, or accounts. 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a). The FCPA's accounting provisions also required that issuers maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to (I) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences. 15 U.S.C. § 78m(b)(2)(B).

7. The FCPA also prohibited the knowing circumvention or failure to implement such a system of internal accounting controls. 15 U.S.C. §§ 78m(b)(5) and 78ff(a).

Relevant Shell Group Entities

8. RDS, was an English company, with headquarters in The Hague, the Netherlands. RDS's American Depositary Receipts are registered with the SEC

pursuant to Section 12(b) of the Securities Exchange Act of 1934 and were publically traded on the New York Stock Exchange. Accordingly, RDS was an “issuer” within the meaning of the Foreign Corrupt Practices Act (“FCPA”), Title 15, United States Code, Section 78dd-1(a). By virtue of its status as an issuer, RDS was required to comply with the provisions of the FCPA.

9. SNEPCO, a wholly-owned subsidiary of RDS, was a Nigerian company with headquarters in Nigeria. SNEPCO was a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

10. Shell International Exploration and Production Inc. (“SIEP”), a wholly-owned subsidiary of RDS, was a Delaware corporation with its principal place of business in Houston, Texas. SIEP was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

Relevant Shell Group Individuals

11. The Bonga Project Manager, a citizen of the United Kingdom, was the Bonga Project Manager from in or around 2004, to in or around December 2005. The Bonga Project Manager was employed by Shell UK Limited, but paid by SNEPCO. The Bonga Project Manager was located in Nigeria.

12. The Subsea Contract Manager, a citizen of the United States, was a SIEP employee. The Subsea Contract Manager provided service and support to

SNEPCO and the Bonga Project, and in conducting these activities the Subsea Contract Manager was an agent of SNEPCO. The Subsea Contract Manager was located in Houston, Texas. The Subsea Contract Manager was a "domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

13. The Subsea Contract Engineer was a SIEP contract employee. The Subsea Contract Engineer provided service and support to SNEPCO and the Bonga Project, and in conducting these activities the Subsea Contract Engineer was an agent of SNEPCO. The Subsea Contract Engineer was located in Houston, Texas.

14. The Project Services Team Leader, a citizen of the United States, was a SIEP employee. The Project Services Team Leader provided support services to SNEPCO and the Bonga Project, and in conducting these activities the Project Services Team Leader was an agent of SNEPCO. The Project Services Team Leader was located in Nigeria.

15. The Bonga Logistics Coordinator was a contract employee of SNEPCO who provided logistical, customs, and freight forwarding support services to the Bonga Project. The Bonga Logistics Coordinator was located in Nigeria.

SNEPCO Subcontractors and Agents

16. The Subsea EPIC Contractor, a United Kingdom corporation, and its subsidiaries was SNEPCO's engineering, procurement, installation and commissioning ("EPIC") contractor for subsea services. The Subsea EPIC Contractor supplied SNEPCO with subsea equipment and associated hardware and software to facilitate oil production, including manifolds, trees, wellheads, connection systems, controls, modules, intervention equipment, integration testing, and installation support. The Subsea EPIC Contractor was a "person" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

17. The Topsides EPIC Contractor, a United Kingdom corporation, and its subsidiaries, provided project management, engineering design, and fabrication services to produce a Floating Production, Storage, and Offloading (FPSO) vessel and provided an array of other engineering services to install topside oil and gas processing equipment to facilitate oil exploration.

18. The Freight Forwarding Agent, a Swiss company, and its subsidiaries was a large, global provider of freight forwarding and logistics services, specializing in intercontinental air and ocean freight shipping and associated supply chain management solutions, including express door-to-door courier freight forwarding. The Freight Forwarding Agent was hired by both the Subsea EPIC

Contractor and the Topsides EPIC Contractor to provide logistics and immigration services. The Freight Forwarding Agent was a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

Nigerian Government Officials

19. The Nigerian Customs Service (NCS) was a Nigerian government agency within the Ministry of Finance of the Federal Republic of Nigeria. The NCS was responsible for assessing and collecting duties and tariffs on goods imported into Nigeria. The NCS was an agency and instrumentality of the Government of Nigeria and its employees were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

Bonga Project Background

20. The Bonga Project was the first deepwater oil and gas field project in Nigeria. The Bonga field was located approximately 120 kilometers off the coast of the Niger Delta, in water that is more than 1,000 meters deep. Since in or around 1993, SNEPCO developed and operated the field on behalf of the Nigerian National Petroleum Corporation (NNPC) pursuant to a production sharing contract, in which SNEPCO has three co-venture partners. The Bonga Project reached first oil in or around November 2005 and has been producing oil since that time.

21. From in or around 1999 to in or around 2005, the Bonga field was in

the planning and construction phase and was referred to as the Bonga Project. SNEPCO was tasked with the project execution, but the Bonga Project was staffed by personnel from other Shell Group companies, including SIEP, based in Houston, Texas.

The Bonga Project EPIC Contractors and the Importation Process

22. During the development and construction of the Bonga Project, SNEPCO entered into four primary Engineering, Procurement, Installation, and Commission ("EPIC") contracts with four separate subcontractors. These EPIC contracts covered the following areas of construction:

- Subsea systems and umbilicals;
- Topsides;
- Pipelines, flowlines, and risers; and
- Moorings and installation.

23. The Subsea EPIC Contractor was awarded the subsea systems and umbilicals contract and the Topsides EPIC Contractor was awarded the topsides contract.

24. To complete the construction, the Subsea EPIC Contractor and the Topsides EPIC Contractor needed to transport and import numerous items, including tools and materials, into Nigeria. Both EPIC contracts required the

contractors to hire an agent to coordinate all customs clearance activities. Both the Subsea EPIC Contractor and the Topsides EPIC Contractor employed the Freight Forwarding Agent to act as their freight forwarding and customs clearance agent.

25. One of the services provided by the Freight Forwarding Agent was an express door-to-door courier service ("Pancourier") that expedited the delivery of goods and equipment into Nigeria. The Pancourier service involved the payment of bribes by the Freight Forwarding Agent to NCS officials to expedite the delivery of materials by inducing the officials to circumvent the official Nigerian customs clearance process and to provide an improper advantage with respect to the importation of certain tools and materials that were imported into Nigeria. As a result of the payment of the bribes, official Nigerian duties, taxes, and penalties were not paid when the items were imported. The Freight Forwarding Agent then invoiced the Subsea EPIC Contractor and the Topsides EPIC Contractor for the payments and characterized the payments as, among other things, "local processing fees" or "administration/transport charges." The Subsea EPIC Contractor and the Topsides EPIC Contractor, in turn, sought reimbursement from SNEPCO for these charges.

The Bonga Project Management

26. In Nigeria, the day-to-day management of the Bonga Project came

from the Bonga Project Manager. SNEPCO assigned Contract Managers for each of the EPIC contracts, who reported to the Bonga Project Manager. The Contract Manager's duties involved oversight of their assigned EPIC contractor. The Contract Managers were supported by Contract Engineers who assisted with contractual and cost issues.

27. The Subsea Contract Manager and the Subsea Contract Engineer for the Subsea EPIC contract were located in Houston, Texas. The Topsides Contract Manager and the Topsides Contract Engineer were located in Nigeria.

28. In Nigeria, the Bonga Project was supported by a Logistics group. The Logistics group was responsible for supporting the movement of materials and the importation of items for the Bonga Project.

29. The Bonga Project also was supported by the Project Services group which was located in Nigeria and other employees of SIEP who were located in Houston, Texas. The Project Services group and the SIEP employees were responsible for project controls, project accounting, document control, cost planning, cost controls, and handling claims against all of the EPIC contractors. Project Services also processed invoices for SNEPCO and passed them to the SNEPCO Finance Department for payment.

Bribes Paid by SNEPCO Contractors and Agents to Improperly Import Goods into Nigeria for the Benefit of SNEPCO

30. From at least in or around February 2004, until at least in or around November 2006, the Freight Forwarding Agent paid NCS officials in Nigeria to induce those officials to provide SNEPCO, the Subsea EPIC Contractor and the Topsides EPIC Contractor preferential treatment in the customs clearance process and to secure an improper advantage with respect to the importation of goods and equipment into Nigeria for the Bonga Project.

31. By at least in or around March 2004, the Bonga Logistics Coordinator was advised that the payments to the Freight Forwarding Agent for the Pancourier service were likely illegal payments to NCS officials.

32. Between in or around March 2004, and in or around June 2005, certain other SNEPCO and SIEP employees assigned to the Bonga Project became aware of facts indicating that the Freight Forwarding Agent paid bribes to customs officials, invoiced SNEPCO's subcontractors, and that SNEPCO reimbursed its subcontractors for the bribes.

33. Specifically, by at least in or around August 2004, certain SNEPCO employees were aware that certain terms, including "local processing fees" and "administration/transport charges" were codewords used on the Freight Forwarding Agent invoices that reflected improper payments paid to the NCS

officials.

34. In or around July 2004, after questions were raised about some of the customs charges submitted by the Subsea EPIC Contractor to SNEPCO for reimbursement, certain SNEPCO and SIEP employees prohibited the reimbursement to the Subsea EPIC Contractor for certain Freight Forwarding Agent charges because the Subsea EPIC Contractor and the Freight Forwarding Agent could not provide documentation that proved proper customs duties had been paid or that the charges were official payments to the NCS.

35. Although SNEPCO refused to reimburse the Subsea EPIC Contractor for some of the customs charges due to the lack of documentation, after July 2004 certain SNEPCO and SIEP employees, on behalf of SNEPCO, nevertheless knowingly continued to authorize its subcontractors to use the Freight Forwarding Agent going forward and, in certain instances, authorized reimbursement to its subcontractors for the Freight Forwarding Agent's Pancourier-related customs charges when the employees knew, or were substantially certain, that some or all of the payments were bribes, made by the Freight Forwarding Agent, and transferred to the NCS officials.

36. In addition, certain SNEPCO employees assigned to the Bonga Project conspired with the subcontractors to alter the Pancourier service invoices

that were submitted to SNEPCO to conceal the bribes that were paid to the NCS officials.

37. Between in or around March 2004, until in or around November 2006, certain SNEPCO employees repeatedly authorized the Subsea EPIC Contractor and the Topsides EPIC Contractor to use the Pancourier service. In total, the subcontractors used the Pancourier service on over 1000 occasions, resulting in over \$1 million in bribes paid through the Freight Forwarding Agent, intended to be transferred to the NCS officials.

38. Throughout the relevant time period, SNEPCO recorded the reimbursements for the improper payments paid to the NCS officials in its books, records, and accounts as "local processing fees" and "administration/transport charges," among other terms. At no time after SNEPCO and SIEP employees became aware that the Freight Forwarding Agent was paying bribes did SNEPCO alter its books and records to reflect the true nature of the payments.

Knowledge of the Bribery Scheme

39. Red flags existed for SNEPCO employees from the time the Freight Forwarding Agent was initially engaged by the Subsea and Topsides EPIC Contractors because rarely, if ever, did SNEPCO receive copies of official documents confirming that duties and/or taxes had been paid for the shipments that

were being imported for the Bonga Project using the Pancourier service.

40. SNEPCO and SIEP employees' actual knowledge of the improper payments developed over time, beginning with information that was learned during a business dispute between SNEPCO and the Subsea EPIC Contractor relating to the reimbursement of numerous Pancourier service charges from the Freight Forwarding Agent that eventually were submitted to SNEPCO by the Subsea EPIC Contractor in a formal "variation order request" for reimbursement ("VOR 30303").

41. On or about October 15, 2003, the Subsea EPIC Contractor sent SNEPCO a letter regarding Invoice 30303 requesting payment for customs duties and related charges relating to the Freight Forwarding Agent's Pancourier service that had not yet been reimbursed by SNEPCO. The Subsea EPIC Contractor advised SNEPCO that the costs incurred for the Pancourier service was "airfreight at a premium rate" because it provided for "the expeditious customs clearance and delivery of equipment to the local service base in [Nigeria] – as opposed to using the normal customs clearance process."

42. On or about February 27, 2004, the Subsea EPIC Contractor sent another letter transmitting VOR 30303 requesting reimbursement for certain customs duties and related charges, including Pancourier charges identified as

“local processing fees.” In the letter, the Subsea EPIC Contractor advised that Pancourier was “a premium air freight [where] material is not inspected by customs and [is] delivered directly to the consignee.” (Emphasis added.) Further, the Subsea EPIC Contractor noted that the “Local Process Fee [was] 10-15% of the commercial invoice value paid to customs.” In a meeting earlier that month and in subsequent discussions of VOR 30303, the Subsea EPIC Contractor advised that no official receipts could be provided to evidence the payment of customs duties or taxes.

43. On or about March 9, 2004, the Subsea Contract Engineer, located in Houston, Texas, emailed two lawyers for SNEPCO, located in Nigeria, to seek advice on whether the process described by the Subsea EPIC Contractor was legal. The Subsea Contract Engineer explained that the Subsea EPIC Contractor had made a claim for “customs duties and related charges” for items transported by the Freight Forwarding Agent, via the Pancourier service. The Subsea Contract Engineer explained that Pancourier bypassed the typical customs framework and the “the amounts paid by [the Subsea EPIC Contractor], which comprise various Charges and Fees, are supposed to take account of Customs Duties.” The Subsea Contract Engineer wrote that there was a concern as to whether, if SNEPCO reimbursed the Subsea EPIC Contractor for the Pancourier charges, “in lieu of

customs duties,” it would remain liable for customs duties.

44. On or about March 10, 2004, one of SNEPCO’s Nigerian lawyers responded to the Subsea Contract Engineer, “There is a statutory obligation to pay duty on goods.” For that reason, the lawyer advised that more information was needed to understand the Pancourier concept, the basis for which the normal customs duty payment process was bypassed, and why SNEPCO had agreed to reimburse the Subsea EPIC Contractor in lieu of customs duties. The lawyer concluded that “[o]rdinarily, this sort of concession granted by SNEPCO could be extra contractual and illegal, in view of the statutory requirement to pay customs duty.”

45. On or about October 19, 2004, while discussing the Freight Forwarding Agent invoices, a Freight Forwarding Agent employee advised the Subsea Contract Manager and the Project Services Team Leader that the Freight Forwarding Agent could not provide customs duties receipts for the Pancourier service, commenting to the effect that the Pancourier service worked on a “wink, wink, it’s all taken care of” basis.

46. On or about March 30, 2005, a Subsea EPIC Contractor employee, located in Nigeria sent an email internally that was later forwarded to the Bonga Project Manager, located in Nigeria, and the Subsea Contract Manager and Subsea

Contract Engineer, located in Houston, Texas, advising that Pancourier was “illegal.”

47. The knowledge of the improper payments paid by the Freight Forwarding Agent was not limited to the Subsea EPIC Contractor invoices. On or about June 8, 2005, the Topsides EPIC Contractor advised the Project Services Team Leader that, “in the case of Pancourier packages, an arrangement is made with local customs officials who calculate the amount of duty which would have been payable had the package entered Nigeria in the normal way. The amount calculated is then reduced to approximately 40% and such amount is paid to the local officials and no receipt is given. The Pancourier package is then cleared and delivered to its destination.”

SNEPCO's Approval of Bribe Payments

48. Despite knowledge of the facts indicating that bribes were paid to NCS officials as a part of the Pancourier service, certain SNEPCO and SIEP employees assigned to the Bonga Project continued to authorize the use of Pancourier for hundreds of shipments. For example:

a. On or about June 2, 2004, the Subsea Contract Manager, located in Houston, Texas, within the Southern District of Texas, sent an email to Nigeria authorizing the Subsea EPIC Contractor to use Pancourier to transport

electrical equipment.

b. On or about June 4, 2004, the Subsea Contract Engineer, located in Houston, Texas, within the Southern District of Texas, sent an email to Nigeria authorizing the Subsea EPIC Contractor to use Pancourier to transport miscellaneous parts.

c. On or about March 7, 2005, a SNEPCO employee sent an email to the Subsea Contract Manager and another SIEP employee located in Houston, Texas, requesting the Subsea EPIC Contractor to use Pancourier service to transport tools.

SNEPCO's Employees' Actions to Conceal the Bribe Payments

49. On or about August 25, 2004, the Bonga Logistics Coordinator met with the Subsea EPIC Contractor and the Freight Forwarding Agent employees in Nigeria and told them that if the Freight Forwarding Agent resubmitted the Pancourier invoices and replaced the terms used on the Freight Forwarding Agent invoices that identified the improper payments to the NCS officials from "local processing fee" to "administration/transport charge," SNEPCO would reimburse the Subsea EPIC Contractor for the charges.

50. In or around September 2004, the term "local processing fee" was removed from the Freight Forwarding Agent's invoices thereafter submitted to the

Subsea EPIC Contractor and replaced with the term "administration/transport charges." Thereafter, while SNEPCO refused to pay VOR 30303, in certain instances SNEPCO reimbursed the Subsea EPIC Contractor for "administrative/transport charges" which included bribes paid to NCS officials.

51. Between in and around September 2004, and in or around 2005, SNEPCO recorded the Pancourier payments, that were reimbursed to the Subsea EPIC Contractor, as "administration/transport charges" in its books, records, and accounts when, in truth and in fact, some or all of these payments were bribes, paid through the Freight Forwarding Agent, intended to be transferred to the NCS officials.

52. Similarly, in or around February 2005, the term "local processing fee" was removed from the Freight Forwarding Agent's invoices submitted by the Topsides EPIC Contractor to SNEPCO for reimbursement. The Freight Forwarding Agent invoices were changed to a flat fee that did not provide a breakdown of services and, thereby, concealed from SNEPCO the bribe payments paid to the NCS officials.

53. Thereafter, between in and around February 2005, and in or around November 2006, SNEPCO recorded the Pancourier payments, that were reimbursed to the Topsides EPIC Contractor, as shipping charges in its books,

records, and accounts when, in truth and in fact, some or all of the payments were bribes, paid through the Freight Forwarding Agent, intended to be transferred to the NCS officials.

54. At the end of SNEPCO's fiscal years 2004 through 2006, the books, records and accounts of SNEPCO containing the false characterizations of the bribe payments to the NCS officials, were incorporated into the books, records and accounts of RDS for purposes of preparing RDS's consolidated year-end financial statements filed with the SEC.

SNEPCO's Actions to Prevent Some of the Improper Payments

55. Although SNEPCO continued to authorize its subcontractors to use the Freight Forwarding Agent's Pancourier service after several employees had knowledge of facts indicating that improper payments likely were associated with the service, certain employees did take steps to stop some of the Freight Forwarding Agent payments. For example, on or about July 27, 2004, the Bonga Project Manager directed the Subsea Contract Manager that the charges for VOR 30303 should not be reimbursed unless official documents could be produced from NCS validating that the associated importation duties were paid directly into a NCS bank or financial institution. The Bonga Project Manager referred to this as the "no proof, no pay" policy.

56. On or about July 29, 2004, the Subsea Contract Manager sent a letter to the Subsea EPIC Contractor advising them that SNEPCO would not reimburse the Subsea EPIC Contractor for the local processing fee element of the Pancourier shipments from VOR 30303 due to the lack of supporting documentation establishing that the payments were for official customs payments. Ultimately, SNEPCO did not reimburse the Subsea EPIC Contractor for the Pancourier charges relating to VOR 30303 due to the lack of support evidencing proper customs duties had been paid.

57. Despite taking actions to prevent the reimbursement of the payments associated with VOR 30303, certain SNEPCO and SIEP employees, and others with knowledge of facts indicating improper payments likely were being made authorized payment to the Topside EPIC Contractor for the Freight Forwarding Agent's Pancourier charges incurred by the Topsides EPIC Contractor.

ATTACHMENT C

CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in its internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Sections 78dd-1 *et seq.*, and other applicable anti-corruption laws, Shell Nigeria Exploration and Production Company Ltd. ("SNEPCO") and Royal Dutch Shell plc (collectively, the "Company") agree to continue to conduct, in a manner consistent with all of their obligations under this Agreement, appropriate reviews of their existing internal controls, policies, and procedures.

Where necessary and appropriate, the Company agrees to adopt new or to modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that the Company makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Company's existing internal controls, policies, and procedures:

1. The Company will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA, including its anti-bribery, books and records, and internal controls provisions, and other applicable foreign law counterparts (collectively, the “anti-corruption laws”), which policy shall be memorialized in a written compliance code.

2. The Company will ensure that its senior management provides strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

3. The Company will develop and promulgate compliance standards and procedures designed to reduce the prospect of violations of the anti-corruption laws and the Company’s compliance code, and the Company will take appropriate measures to encourage and support the observance of ethics and compliance standards and procedures against foreign bribery by personnel at all levels of the company. These anti-corruption standards and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, “agents and business partners”), to the extent that agents and business

partners may be employed under the Company's corporate policy. The Company shall notify all employees that compliance with the standards and procedures is the duty of individuals at all levels of the company. Such standards and procedures shall include policies governing:

- a. gifts;
- b. hospitality, entertainment, and expenses;
- c. customer travel;
- d. political contributions;
- e. charitable donations and sponsorships;
- f. facilitation payments; and
- g. solicitation and extortion.

4. The Company will develop these compliance standards and procedures, including internal controls, ethics, and compliance programs on the basis of a risk assessment addressing the individual circumstances of the Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in the company's operations, degree of governmental oversight and inspection, and volume and

importance of goods and personnel clearing through customs and immigration.

5. The Company shall review its anti-corruption compliance standards and procedures, including internal controls, ethics, and compliance programs, no less than annually, and update them as appropriate, taking into account relevant developments in the field and evolving international and industry standards, and update and adapt them as necessary to ensure their continued effectiveness.

6. The Company will assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's anti-corruption policies, standards, and procedures. Such corporate official(s) shall have direct reporting obligations to the Company's Legal Counsel or Legal Director as well as the Company's independent monitoring bodies, including internal audit, the Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

7. The Company will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts to ensure that they cannot be used for the purpose of foreign bribery or

concealing such bribery.

8. The Company will implement mechanisms designed to ensure that its anti-corruption policies, standards, and procedures are communicated effectively to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, and, where necessary and appropriate, employees, agents, and business partners; and (b) annual certifications by all such directors and officers, and, where necessary and appropriate, employees, agents, and business partners, certifying compliance with the training requirements.

9. The Company will maintain, or where necessary establish, an effective system for:

a. Providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's anti-corruption compliance policies, standards, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates;

b. Internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where necessary and appropriate,

agents and business partners, not willing to violate professional standards or ethics under instructions or pressure from hierarchical superiors, as well as for directors, officers, employees, and, where appropriate, agents and business partners, willing to report breaches of the law or professional standards or ethics concerning anti-corruption occurring within the company, suspected criminal conduct, and/or violations of the compliance policies, standards, and procedures regarding the anti-corruption laws for directors, officers, employees, and, where necessary and appropriate, agents and business partners; and

c. Responding to such requests and undertaking necessary and appropriate action in response to such reports.

10. The Company will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and the Company's anti-corruption compliance code, policies, and procedures by the Company's directors, officers, and employees. The Company shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, ethics, and compliance program and making modifications necessary to ensure the program is effective.

11. To the extent that the use of agents and business partners is permitted at all by the Company, it will institute appropriate due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. Properly documented risk-based due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. Informing agents and business partners of the Company's commitment to abiding by laws on the prohibitions against foreign bribery, and of the Company's ethics and compliance standards and procedures and other measures for preventing and detecting such bribery; and

c. Seeking a reciprocal commitment from agents and business partners.

12. Where necessary and appropriate, the Company will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to

terminate an agent or business partner as a result of any breach of anti-corruption laws, and regulations or representations and undertakings related to such matters.

13. The Company will conduct periodic review and testing of its anti-corruption compliance code, standards, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and the Company's anti-corruption code, standards and procedures, taking into account relevant developments in the field and evolving international and industry standards.

ATTACHMENT D

CORPORATE COMPLIANCE REPORTING

1. Royal Dutch Shell plc ("RDS"), on behalf of Shell Nigeria Exploration and Production Company Ltd. ("SNEPCO"), agrees that it will report periodically, at no less than 12-month intervals, in accordance with the schedule described in Paragraph 3 below, during the term of this Agreement, to the Fraud Section of the Department of Justice ("the Department") regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment C.¹

2. During the Term of this Agreement, Should RDS discover credible evidence, not already reported to the Department, that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any RDS entity or person, or any entity or person working directly for RDS, or that related false books and records have been maintained, RDS shall promptly report such conduct to the Department.

3. During the Term of this Agreement, RDS shall: conduct an initial review and prepare an initial report, and conduct and prepare two follow-up reviews and reports, as described below:

¹ Pursuant to Paragraph 4 of the Agreement, the Agreement is effective for "a period beginning on the date on which the criminal Information is filed and ending three (3) years and seven (7) calendar days from that date (the 'Term')."

a. By no later than a year from the date the Deferred Prosecution Agreement is filed with the Court in the Southern District of Texas, RDS shall issue a written report covering the prior 12-month period and setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the policies and procedures of RDS for ensuring compliance with the FCPA and other applicable anticorruption laws, and the parameters of the subsequent reviews. The report shall be addressed to the Deputy Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Ave., Bond Building, Fourth Floor, Washington, D.C. 20005.

b. RDS shall undertake two follow-up reviews, incorporating any comments provided by the Department on its initial review and report, to further monitor and assess whether the policies and procedures of RDS are reasonably designed to detect and prevent violations of the FCPA and other applicable anticorruption laws.

c. The first follow-up review and report shall be completed by no more than one year after the initial review. The second follow-up review and report shall be completed by no more than one-year after the completion of the first follow-up review.

d. RDS may extend the time period for submission of the follow-

up reports with prior written approval of the Department.