ERISA settlement
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The Royal Dutch / Shell Group of Companies reported today that a settlement has been reached in a class action and related litigation brought against certain Group companies on behalf of employees participating in certain United States employee savings plans that are subject to the Employee Retirement Income Security Act of 1974 (ERISA). The class action, which is pending in United States Federal Court in New Jersey, makes certain ERISA-based claims based upon Shell’s recategorisations of its proved oil and gas reserves.

An order preliminarily approving the proposed settlement has been entered. If the settlement is finally approved by the court, Shell will pay $90 million which – after certain expenses (including court-approved attorneys’ fees) are deducted – will be distributed to eligible participants in the relevant employee savings plans. Shell also has agreed to pay up to $1 million of plaintiffs’ counsel’s out-of-pocket expenses and the costs of providing notice to class members. An allocation plan will be prepared by the lead plaintiffs and approved by the court. In addition, as part of the settlement agreement, Shell has agreed to adopt certain new procedures for monitoring and training individuals appointed to fiduciary positions in savings plans that are subject to ERISA. Of the proposed settlement amount, $25 million is covered by insurance policies. The settlement relates to all ERISA-based claims relating to the reserves recategorisations, but does not relate to or affect pending securities claims.

Beat Hess, Shell’s Legal Director, commented, “Shell believes that this is a good settlement for plan participants and for the companies. We are hopeful that the court will approve the settlement, which represents an important step toward putting litigation relating to the reserves recategorisations behind us.”