

Royal Dutch Shell plc

Global Employee Share Purchase Plan

Section 10(a) Prospectus

This prospectus relates to Class A ordinary shares of Royal Dutch Shell plc (“Royal Dutch Shell”) having a par value of €0.07 per share (“Royal Dutch Shell Class A Ordinary Shares”) and Royal Dutch Shell Class A American Depositary Shares (“Royal Dutch Shell Class A ADSs”), which may be sold to eligible employees of Royal Dutch Shell, its subsidiaries and certain affiliates (collectively, the “Companies”) under the Global Employee Share Purchase Plan (the “Plan”). Each Royal Dutch Shell Class A ADS represents two Royal Dutch Shell Class A Ordinary Shares. This prospectus is effective for plan years under the Plan beginning with the 2019 plan year.

Twelve million Royal Dutch Shell Class A Ordinary Shares, which may be represented by Royal Dutch Shell Class A ADSs, have been registered under the Securities Act of 1933, as amended (the “Securities Act”), and are available for delivery under the Plan. Additional Class A Ordinary Shares may be registered, if needed.

This document constitutes part of a Section 10(a) prospectus covering securities that have been registered under the Securities Act of 1933.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 2, 2018.

Global Employee Share Purchase Plan

Prospectus

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I. Available Information

Royal Dutch Shell has filed with the Securities and Exchange Commission (the “SEC”) in Washington, D.C., a Registration Statement (the “Registration Statement”) on Form S-8 under the Securities Act, relating to the Royal Dutch Shell Class A Ordinary Shares and Royal Dutch Shell Class A ADSs offered by means of this prospectus. Note that one Royal Dutch Shell Class A ADS represents two Royal Dutch Shell Class A Ordinary Shares. See page 3 for a description of an ADS. The term “Shares” is used from time to time in this prospectus to refer to either Royal Dutch Shell Class A Ordinary Shares or Royal Dutch Shell Class A ADSs, or both.

For further information about Royal Dutch Shell, Royal Dutch Shell Class A Ordinary Shares and Royal Dutch Shell Class A ADSs, you may review the Registration Statement and its exhibits. Royal Dutch Shell has also filed a separate Registration Statement on Form F-6 under the Securities Act, relating to the Royal Dutch Shell Class A ADSs.

Royal Dutch Shell is also subject to the information disclosure requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance with the Exchange Act files annual reports and furnishes other information to the SEC. You may inspect and copy this information at the public reference facilities maintained by the SEC at 100 F. Street, N.E., Room 1580, Washington, D.C., 20549. Information on the operation of the Public Reference Room can be obtained by calling the

SEC at 1-800-SEC-0330. The SEC also maintains a Web site (<http://www.sec.gov>) that contains reports and other information regarding registrants, like Royal Dutch Shell, that file or furnish information electronically with or to the SEC.

II. Incorporation of Certain Documents by Reference

The SEC allows Royal Dutch Shell to “incorporate by reference” information into this prospectus. This means Royal Dutch Shell can disclose important information to you by referring you to other information filed with or furnished to the SEC.

The following documents filed with or furnished to the SEC pursuant to the Exchange Act by Royal Dutch Shell are incorporated into this prospectus by reference and shall be deemed to be a part of this prospectus:

- the Annual Report on Form 20-F of Royal Dutch Shell for the year ended December 31, 2017, as filed with the SEC on March 15, 2018.

The following documents subsequently filed or furnished by Royal Dutch Shell with or to the SEC after the date of the Registration Statement and prior to the filing of a post-effective amendment to the Registration Statement which indicates that all securities offered by the Registration Statement have been sold, or which deregisters all securities then remaining unsold, shall be deemed incorporated by reference into this prospectus:

- reports filed under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act; and
- reports furnished on Form 6-K that indicate that they are incorporated by reference in the Registration Statement.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this document or in any document that also is or is deemed to be incorporated by reference into this document modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Royal Dutch Shell will provide without charge, upon written or oral request, a copy of the Plan or any document incorporated by reference (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents) to each person who receives a copy of this prospectus. In addition, Royal Dutch Shell will provide without charge, upon written or oral request, to all such persons who do not otherwise receive such materials, copies of all reports, proxy statements and other communications distributed to its shareholders generally.

You should address your request for documents to:

Manager Share Plans
Shell Centre, London SE1 7NA
United Kingdom

In addition, you may call the Manager Share Plans, at (44) 207-934-3291 or e-mail share.plans@shell.com

The current Royal Dutch Shell Annual Report on Form 20-F can also be viewed and downloaded at www.shell.com.

III. Description of the Plan

General

In the event of any conflict between this description of the Plan and the terms of the Plan, the terms of the Plan shall prevail.

This prospectus is effective for Plan Years beginning with the 2019 Plan Year. Each “Plan Year” under the Plan is a 12-month period lasting from January 1 to December 31.

The purpose of the Plan is to offer eligible employees the opportunity to purchase Shares through periodic or regular after-tax payroll deduction contributions (“Savings”). Through the Plan, the company offers participants the opportunity to purchase Shares on a fixed day of the year at a discount. No offers to participate in the Plan may be made after July 25, 2028.

The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and is not intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

Administration

The Plan is administered by the Board of Directors of Royal Dutch Shell or any committee of such Board of Directors or other person or body to whom such Board of Directors delegates any function under the Plan (each, the “Directors”).

The decision of the Directors, in their sole and absolute discretion, on the interpretation of the Plan or any dispute relating to any matter relating to the Plan will be final and conclusive.

The Directors can make or vary the administration procedures of the Plan.

The day-to-day administration of the Plan has been delegated to the Manager Share Plans (the “Administrator”). The Directors have discretion as to the appointment and removal of the Administrator.

Additional information about the Plan, the Directors and the Administrator may be obtained by mail, phone or e-mail by contacting the Manager Share Plans, at the address and telephone number provided under “Incorporation of Certain Documents by Reference” above.

Securities to be Offered

The securities offered under the Plan are Royal Dutch Shell Class A Ordinary Shares and Royal Dutch Shell Class A ADSs.

ADS stands for an American Depositary Share. ADR stands for an American Depositary Receipt. An ADR is a certificate that evidences ADSs. Each Royal Dutch Shell Class A ADS

represents two Royal Dutch Shell Class A Ordinary Shares. In many cases the terms ADR and ADS are used interchangeably.

Royal Dutch Shell Class A Ordinary Shares are listed for trading on the London Stock Exchange and Euronext Amsterdam. Royal Dutch Shell Class A ADSs are listed for trading on the New York Stock Exchange.

Employees who may Participate and Terms of Invitation

Eligible Employees may be invited to participate in the Plan for a portion or all of a Plan Year. For these purposes, “Eligible Employee” means any individual who, at the time of an invitation to the join the Plan, is identified by one of the Companies as one of its employees (excluding any member of the Board of Directors of Royal Dutch Shell).

Royal Dutch Shell will decide, in its absolute discretion, which Eligible Employees (if any) are to be invited to participate, when (if ever) invitations are to be made and the terms of such invitations (all of which may change from time to time). When making an invitation, Royal Dutch Shell will specify:

- the “Savings Limit” (the maximum amount which a participant can contribute to the Plan each Plan Year to purchase Shares);
- the date(s) on which eligible employees are invited to participate in the Plan;
- the period during which an eligible employee may choose to join the Plan and the portion of a Plan Year

during which Savings may be contributed to the Plan (the “Savings Period”);

- the “Discount” (the percentage discount at which participants may purchase Shares); and
- how Shares will be valued for purposes of applying the Discount to arrive at the discount share price for a Plan Year (for example, the purchase price of an acquired Royal Dutch Shell Class A Ordinary Share or Royal Dutch Shell Class A ADS for the 2019 Plan Year will be the lesser of the price of the applicable Share at the close of trading on the first trading day of the Plan Year or the first trading day following the end of the Plan Year, reduced by the Discount).

Eligible Employees will be sent an invitation (which may be electronic) to participate which will set out the terms of the invitation. Eligible Employees will be able to choose whether to participate and, subject to the Savings Limit, the level of their Savings.

An Eligible Employee must accept an invitation in such manner and by such time that is specified in the invitation. If he does not, he will not be entitled to participate in the Plan for the relevant Plan Year. Participation in the Plan may require an individual to establish a brokerage account or vested share account with a brokerage institution or other third-party administrator.

Savings, Plan Limits and Participation

Contributions to the Plan will be made on an after-tax basis by deductions of the monthly Savings amount elected by a participant, with one-half of the monthly amount being taken from the participant's salary/wages in each of the first (or only) two regular pay periods of each month during the Plan Year's Savings Period. A minimum Savings amount per month may be set for a Plan Year. Any monthly minimum, as well as the Savings Limit and the Savings Period, may be changed for future Plan Years.

Participants may change their monthly Savings amount at any time on or before October 15 of the applicable Plan Year, subject at all times to the Savings Limit. Please refer to “Implementation of Participant Instructions; Available Salary/Wages; Savings Limit” below for information about additional limitations and timing requirements that apply to this and other participant instructions.

Participants may suspend their Savings to the Plan at any time on or before October 15 of the applicable Plan Year. Savings made prior to any suspension becoming effective will be used to purchase Shares.

Savings will be remitted to a non-interest bearing escrow account with a bank chosen by the Administrator and held on behalf of participants. Savings will be held in U.S. Dollars, except that the Savings of participants who have a base country outside the U.S. will be exchanged into, and held in, Euros. Any foreign exchange risk or loss caused as a result of currency exchange or

currency fluctuation will be for the account of those participants.

Generally, participants will automatically continue to participate with the same monthly Savings amount from one Plan Year to the next. However, if a participant has withdrawn their Savings, has suspended their Savings or has set their Savings amount to zero and the participant does not resume making Savings contributions on or before October 15 of a Plan Year, then the participant will need to re-enroll to rejoin the Plan for any future Plan Year.

Participants may review the balance of their Savings for that Plan Year electronically via their account with Computershare. Participants will not receive any reports regarding the amount and status of their account.

Withdrawals Restricted

Withdrawals of Savings are not permitted other than in cases of financial hardship, and in no event will a partial withdrawal be permitted. If the participant requests the return of the Savings, then subject to the Company's consent and provided that the request was submitted on or before October 15 of the relevant Plan Year, the Savings will be returned (without interest) to the participant as soon as reasonably practicable and will in any event be returned within 45 days of the date of the request. If a participant withdraws the Savings then the participant will be deemed to have terminated their participation in the Plan. Please refer to "Leaving Employment" below for information about withdrawals when a Participant ceases to be an employee of the Companies.

Implementation of Participant Instructions; Available Salary/Wages; Savings Limit

Instructions provided by a participant under the Plan (including, for example, changes to Savings amounts and suspensions of Savings) shall only become effective once they have been processed in accordance with applicable administrative procedures. Instructions received on or before the 15th day of a month will generally be effective for the following month and no instructions may be made after October 15 of a Plan Year. For purposes of participant instructions, since the Plan is a global benefit program, dates are in terms of GMT (for example, if a participant instruction is to be made by the 15th of a month, the instruction must be received by 23:59 GMT on that day).

A participant's election to contribute Savings will be subject to any applicable payroll withholding ordering or hierarchy, which may result in other payroll withholdings, deductions or contributions being taken from the participant's salary/wages before Savings may be made to the Plan. If any portion of a participant's elected monthly Savings amount to be deducted exceeds the salary/wages available to be contributed to the Plan on a pay date, only the available amount will be contributed to the Plan and the participant's monthly Savings amount will remain in effect for future pay dates/months (subject again to the available salary/wages requirements and other Plan restrictions or participant directed changes). In addition, monthly contributions will be automatically limited in accordance with the Plan's administrative procedures to ensure that

contributions do not exceed the Savings Limit.

Changed Location of Employment

If an individual changes country of employment while participating in the Plan to another participating country, then their participation shall continue. In such a case the participant's elected Savings amount will continue at the same level as before expressed to the nearest whole unit in the appropriate currency. If an individual relocates to a country which is not participating in the Plan, then the individual will be suspended from the Plan. Savings made prior to any suspension may be used to purchase Shares.

Leaving Employment

If a participant ceases to be an employee (for whatever reason including death) then the participant (or his representatives) may:

- request the return of all Savings that have been contributed to the Plan (without interest); or
- direct that the Savings be used to purchase Shares (on the purchase date and with the Discount).

If no request or direction has been received on or before October 15 of the relevant Plan Year or if a request has been rejected, for example, due to incomplete or incorrect information, then the Savings will be used to purchase Shares (on the purchase date and with the Discount).

For these purposes, a participant will not be treated as ceasing to be an employee until he ceases to be an

employee of all the Companies or if he recommences employment with one of the Companies within seven days.

Purchase and Transfer of Royal Dutch Shell Class A Ordinary Shares and Royal Dutch Shell Class A ADSs; Cash Delivery Payments

Savings made in a Plan Year by a participant will, subject to the limits described herein and to any withdrawal of Savings that has been approved, be applied to the purchase of Shares acquired on the open market. For participants who are on a U.S. employer's payroll and who have the U.S. as their base country, Royal Dutch Shell Class A ADSs will be purchased. For all other participants, Royal Dutch Shell Class A Ordinary Shares will be purchased.

The purchase and subsequent transfer to a participant's brokerage account or vested share account of Shares will normally be made within 14 days of the end of the Plan Year. It is intended that the Plan meet the short-term deferral exception to Section 409A of the Code and the regulations issued thereunder. Thus, if for any reason Shares are not transferred to the participant's brokerage account or vested share account earlier than March 15 of the year following the Plan Year, they will be transferred on March 15 of that year.

The purchase price of an acquired Royal Dutch Shell Class A Ordinary Share or Royal Dutch Shell Class A ADS for a Plan Year will be determined as described in the invitation for that Plan Year. For example, the purchase price of an acquired Royal Dutch Shell Class A Ordinary Share or

Royal Dutch Shell Class A ADS for the 2019 Plan Year will be the lesser of the price of the applicable Share at the close of trading on the first trading day of the Plan Year or the first trading day following the end of the Plan Year, reduced by the Discount. The Discount for each annual Plan Year is determined by the Directors prior to the start of that Plan Year.

Royal Dutch Shell, any employing company or trustee of any employee benefit trust may withhold such amount and make such arrangements as it considers necessary to meet any liability to taxation or social security contributions in respect of rights under the Plan. These arrangements may include deductions from the escrow account or any cash payment under the Plan, the sale of Shares on behalf of a participant or a reduction in the number of Shares to which the participant would otherwise be entitled. Any taxes incurred in connection with the purchase of Shares under the Plan will be the responsibility of the participant and tax assistance generally will not be provided (tax protection rules may apply to participants who are on long-term international expatriate (IBAS) assignments).

Any residual cash remaining after the purchase of Shares and withholding of taxation and social security contributions will be returned to the participant through payroll (or in such other manner as may be determined by the Administrator); provided that in the case of a participant who (a) has a base country outside the U.S., (b) contributed Savings during a Plan Year while on U.S. payroll, and (c) transferred to his or her base country or a new host country payroll before the purchase of shares for

that Plan Year, residual cash will remain in the Plan and will be applied toward the future purchase of Shares (if not withdrawn by the participant).

Notwithstanding the foregoing, cash payments ("Cash Delivery Payments") may be made to participants in lieu of the delivery of Shares (e.g., where local legal regulations prevent the delivery of Shares). A Cash Delivery Payment will be in an amount equal to the value of the Shares that would have otherwise been delivered, based on the closing price of a Royal Dutch Shell Class A Ordinary Share or Royal Dutch Shell Class A ADS (as applicable) on the first trading day following the end of the Plan Year. Cash Delivery Payments will be paid as soon as reasonably practicable and will normally be made within 45 days of the end of the relevant Plan Year and will in all cases be made not later than March 15 of the calendar year following the relevant Plan Year. Cash Delivery Payments will be made to participants in such manner as may be determined by the Administrator and will be subject to withholding of tax and any social security contributions.

Investment Risk

The value of Shares can go down as well as up. This fluctuation can occur before or after a participant's Shares are transferred to his brokerage account or vested share account. As a result, it is possible that once Shares are transferred to the participant's brokerage account or vested share account, the value of those Shares could be worth less than the discounted purchase price of the Shares. The risks of fluctuation in the value of the Shares are borne by the participant. Neither Royal Dutch Shell, any other employer,

the Administrator, any third-party administrator, nor any depository or brokerage account receiving a transfer of Shares under the Plan will have any liability to the participant for any market losses because of the fluctuation in value of Shares.

Interest and Payments to Participants

No interest or other type of earnings will be payable to a participant on any amounts set aside through payroll deduction Savings through the Plan or on any amounts due to a participant pursuant to the rules of the Plan.

Voting, Dividends and Dividend Equivalents

A participant may not vote, receive dividends or have any other rights of a shareholder in respect of Shares subject to purchase rights under the Plan until the Shares are transferred to the participant.

Transferability

Prior to the delivery or transfer of Shares to participants, rights under the Plan may not be transferred, pledged, encumbered, assigned or otherwise disposed of; provided that this prohibition does not apply to the transmission of rights on the death of a participant to his personal representatives.

Participants may not create, buy or sell any derivative instrument involving rights under the Plan. If any rights are transferred (other than in the event of death) or if such a derivative instrument is created, bought or sold, all rights will lapse, the participant will be

deemed to have withdrawn from the Plan, and his Savings will be returned (without interest) to him as soon as reasonably practicable and will in any event be returned within 45 days.

Changes in Capitalization

If there is a variation in the equity share capital of Royal Dutch Shell (including a capitalization, sub-division, consolidation or reduction of share capital), a rights issue, a demerger (in whatever form), a special dividend or distribution, or any similar transaction which the Directors consider may affect the value of rights under the Plan, then the Directors may, acting reasonably and in good faith, adjust (retrospectively or otherwise) the rights subject to the Plan or change the identity of the company or companies whose shares are subject to the rights.

Takeovers and Restructurings

On a takeover or restructuring of Royal Dutch Shell, rights under the Plan may be exchanged for equivalent rights with respect to shares or ADSs in the acquiring company. If, on a takeover, the acquiring company or the Directors do not agree to the exchange of rights, Savings will be returned to participants as soon as reasonably practicable and will normally be returned within 45 days of the end of the relevant Plan Year (and will in all cases be made not later than March 15 of the calendar year following the applicable Plan Year). In lieu of the value of any discounted share purchase price which might have benefited a participant, an additional payment of cash equal to 15% of the participant's Savings will be made to the participant.

If the Directors consider that the takeover or restructuring is an internal restructuring or reorganization which does not involve a significant change in the identity of the ultimate shareholders of Royal Dutch Shell, Plan rights will be exchanged for equivalent rights with respect to shares or ADSs of the new company, whether or not any acquiring company agrees. The rights will be exchanged in full, subject to such adjustments as the Directors consider reasonable to take account of the restructuring or reorganization.

If the Directors become aware that Royal Dutch Shell is or is expected to be affected by any demerger, distribution (other than an ordinary dividend) or other transaction not described above which, in the opinion of the Directors, would adversely affect the current or future value of any Plan rights, the Directors may elect to return participant's Savings as soon as reasonably practicable (and in all cases such repayment will be made not later than March 15 of the calendar year following the applicable Plan Year). In lieu of the value of any discounted share purchase price which might have benefited a participant, an additional payment of cash equal to 15% of the participant's Savings will be made to the participant.

Amendments and Termination

Generally, the Directors may, at any time, amend the Plan in any way, including retrospective amendments and amendments to the terms of rights already granted. However, no such amendment to the terms of any rights already granted that would materially adversely affect the rights of any participants may be made without the

consent of the participants holding a majority (by number of Shares subject to the rights) of rights affected by the amendment.

The Directors may terminate the Plan at the end of any Plan Year in relation to future Plan Years.

Miscellaneous

The following provisions are also in effect under the Plan:

- Nothing in the Plan or in the terms of or the practice of granting rights under the Plan constitutes or forms part of any employment contract or employment relationship of or with an employee. The grant of rights does not create any right to, or expectation of, continued employment or a continued employment relationship.
- Benefits under the Plan are not pensionable and do not affect pension benefits or other employee benefits in any way except as may be otherwise provided in the terms of any applicable pension or other benefit plan.
- The grant of rights on a particular basis in any year does not create any right to or expectation of the grant of rights on the same basis, or at all, in any future year.
- No employee is entitled to be made an invitation under the Plan at a particular level or at all.
- Without prejudice to an employee's right under the Plan subject to the express terms of the Plan, no employee has any right to

compensation resulting from:
(a) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including termination of employment or the employment relationship whatever the circumstances of such termination and however such termination is categorized under applicable local law); (b) any exercise of discretion or decision taken under the Plan or any failure to exercise discretion or make a decision; or (c) the operation, suspension, termination or amendment of the Plan.

- By accepting an invitation to participate in the Plan, a participant consents to the processing of his personal data in accordance with the Global Share Plans Privacy Policy, which can be viewed at: http://www.shellshareplans.com/s/Privacy_Notice_EN.pdf.
- When Shares are transferred to or on behalf of a participant, the participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. The participant will not be entitled to rights before that date.
- Where it is necessary to make any currency conversion under the Plan, the exchange will be at such rate and at such time as Royal Dutch Shell decides.
- Rights under the Plan will be unfunded and none of the Companies will be required to segregate any assets that may at any time be represented by those rights. Any liability of any of the Companies to any person with

respect to this Plan will be based solely upon any contractual obligations that may be created by the Plan. No such obligation will be deemed to be secured by any pledge or other encumbrance on any property of any of the Companies or funded or secured in any way. However, the Savings held on behalf of a participant are personal to that participant and will be held in an escrow account as described above.

- Any notice or other document which has to be given to a person who is or will be eligible to be a participant may be sent by e-mail to the e-mail address which is held by the Administrator. A person who is or will be eligible to be a participant may also contact the Administrator to make arrangements to receive such notice or other document by post. None of the Companies will be liable for any loss resulting from the fact that a participant did not keep his e-mail address, postal address or other personal information accurate and up to date with the Administrator.
- English law governs the Plan and all grants under the Plan.

IV. Resale Restrictions

The Plan will be administered to comply with the Securities Act and the Exchange Act. Reoffers or resales of Royal Dutch Shell Class A Ordinary Shares and Royal Dutch Shell Class A ADSs purchased by or on behalf of persons who may be deemed "affiliates" of Royal Dutch Shell (that is, generally, employees who are directors or certain executive officers of Royal Dutch Shell or who are persons who directly, or indirectly through one or more

intermediaries, control or are controlled by, or are under common control with, Royal Dutch Shell) must be made only:

- pursuant to a "reoffer prospectus" complying with the provisions of the Securities Act and the rules and regulations promulgated thereunder;
- in compliance with Rule 144 under the Securities Act; or
- in a transaction otherwise exempt from the registration provisions of the Securities Act.

Royal Dutch Shell does not presently intend to make any such reoffer prospectus available.

In addition, the Companies may from time to time adopt policies and procedures that restrict a participant's ability to resell Shares acquired under the Plan.

V. U.S. Federal Income Tax Consequences

The following is a general summary of the material U.S. Federal income tax consequences under current law as of the date of this prospectus. This summary applies only to, or with respect to, "U.S. Persons" who participate in the Plan. A U.S. Person is an individual who is a citizen or resident of the U.S., including an alien individual who is a lawful permanent resident of the U.S. or who meets the "substantial presence" test under Section 7701(b) of the Code. Different income tax consequences may apply to participants who are not U.S. Persons.

This summary deals with the general tax principles that apply and is provided only for general information. Some kinds of taxes, such as taxes imposed by countries other than the U.S., and state and local income taxes, are not discussed. Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. This summary does not discuss all aspects of income taxation that may be relevant to participants in light of their personal investment circumstances. This summarized tax information is not tax advice.

When a participant purchases Shares through the Plan, the participant will recognize taxable ordinary income, and his or her employing company will be entitled to a deduction, in an amount equal to the difference between the fair market value, on the "Tax Valuation Date" (the date such Shares no longer have restrictions as to possession and ability to trade), of the Shares acquired and the discounted purchase price.

The tax basis of the Shares will be equal to their fair market value on the Tax Valuation Date, and their holding period will begin on the day after the purchase date.

Upon a sale of Shares acquired through the Plan, the holder will have short-term or long-term capital gain or loss, as the case may be, in an amount equal to the difference between the amount realized on such sale and the tax basis of the Shares sold.

In the event that a participant receives a Cash Delivery Payment in lieu of Shares, the participant will recognize ordinary income and his or

her employing company will be entitled to a deduction, in an amount equal to the difference between the amount of the participant's after-tax Savings contributions made to the Plan and the amount of the Cash Delivery Payment.

This communication is not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties under the Internal Revenue Code. You should seek advice, based on your particular circumstances, from an independent tax advisor about the consequences of participating in the Plan.