



# PERFORMANCE SHARE PLAN (PSP) AND LONG TERM INCENTIVE PLAN (LTIP)

Taxation Q&A - March 2024





## Introduction

*This document provides important information about tax calculations on vesting of awards under the Performance Share Plan (PSP) and Long Term Incentive Plan (LTIP).*

*All tax calculations, including both hypothetical and actual taxes, have been carried out taking account of the data in Shell HR systems (Shell People) and certain data items provided by you, prevailing tax rules on equity income in the relevant jurisdictions and the relevant Shell policy.*

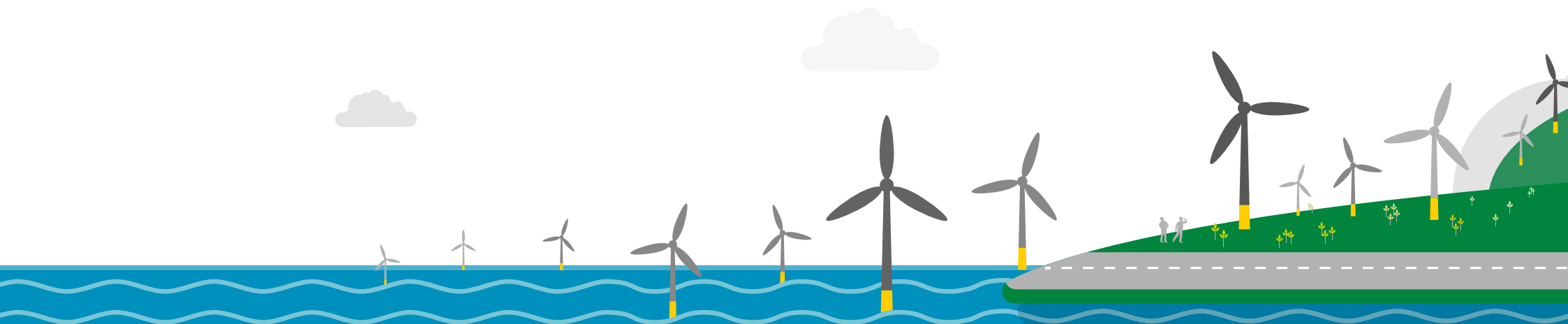
*Shell has worked with Deloitte LLP ("Deloitte") and local country tax managers to agree the basis of these calculations and has appointed Deloitte to perform the calculations. Shell International Limited has provided the answers to the tax questions in this document.*

*Please note that neither Computershare nor Fidelity are permitted by Shell to respond to questions on personal tax. If you have any questions regarding tax, please send your questions via the [Share Plans Query form](#). HR Operations are not able to check the individual tax calculations prepared by Deloitte. In exceptional circumstances where you can demonstrate and prove that an error has been made in your case, this will be referred to Shell Group Tax.*

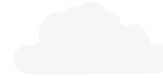
### Foreign Asset Reporting:

As a result of participating in Shell's share plans, employees (current and former) in certain locations will have a requirement to comply with local reporting requirements regarding their holdings of Shell shares. Although Shell does not provide individual tax advice, Shell would like to provide employees with high level information in certain locations where there are Foreign Asset Reporting requirements to assist employees with their understanding of their obligations. Please refer to the Country Tax guide [here](#) to read more.

Please refer to "Your Resource Centre" for additional useful information.



I have been on a Long Term International Assignment at any time from 1st January 2021 to the vesting of my award in 2024



## How is my Award Taxed?

### 1. What is tax equalisation?

Tax equalisation is the policy by which you are effectively treated for tax purposes as if you were tax resident at all relevant times in your Base Country even if in fact you have spent time in another taxing jurisdiction.

A deduction in respect of theoretical tax and social security on your PSP or LTIP award will be made as if you had remained in your Base Country for the entire period between the start of the performance period and the date of vesting, and your entitlement under the rules of the Plan is to the net amount of the award (i.e. the amount after deduction of such hypothetical tax and social security). This is referred to as a "hypothetical tax deduction". Shell then pays the actual Base and Host Country tax and social security liabilities, where required.

### 2. Who will be tax equalised?

Tax equalisation applies to all PSP or LTIP awards if you were on a long term expatriate assignment at any point between the start of the performance period of your award and the date of vesting.

### 3. What if I have only been an expat for part of the vesting period?

If you have been an expat for any part of the vesting period you will be subject to tax equalisation on the full value of your award. A deduction for hypothetical tax will be made from your total award at the appropriate hypothetical rate. Shell will then settle any actual employment/income tax liabilities which arise in both your home and your host locations.

### 4. What gives Shell the right to make the hypothetical deduction?

Acceptance of the tax equalisation policy is a condition of acceptance of equity incentives. If you feel that you cannot accept this policy, you can always choose not to accept the award. If you choose not to accept your PSP or LTIP award, there will be no alternative compensation made in lieu.

### 5. To what country will I be equalised?

You will be equalised to your Base Country at date of vest. If you change your Base Country during the life of an award, you will always be equalised to the Base Country at date of vest.

### 6. How is the hypothetical tax rate on my performance shares determined?

Where applicable, the top marginal rate of employment tax and/or social security will be used to make the hypothetical deduction, as you would generally be paying the top rate on performance shares in your Base Country. This is even the case where multiple tax rates apply. However, if, according to standard IBAS assumptions, you would not be subject to tax at the top rate in your Base Country, a lower tax rate established by salary group may be used for the hypothetical tax deduction.

### 7. I have left Shell Group Service so why have hypothetical taxes been withheld?

The tax equalisation policy applies after your departure. As you were on an expatriate assignment with Shell at any point between the start of the performance period of your award and the date of vesting, the award will be subject to a hypothetical tax deduction, in line with Shell Group policy.

Shell will settle the actual employment/income tax and mandatory social security liabilities in both the Base and Host locations, as appropriate.

### 8. Will the same hypothetical tax rate apply for current employees and leavers?

Yes, the same hypothetical rate will be applied for current employees and leavers.



I have been on a Long Term International Assignment at any time from 1st January 2021 to the vesting of my award in 2024



## Tax Calculation

### 1. Where can I see which hypothetical rate is used to determine my net award?

The relevant hypothetical rate used in the calculation of your vested award is displayed under Transaction History on your EquatePlus account.

### 2. What taxes are included within the hypothetical tax deduction?

Employment (income) tax and, where applicable, federal and regional taxes and social security will be included in the hypothetical tax deduction.

No deduction will be made for capital taxes, such as wealth or capital gains taxes.

### 3. What taxes will Shell settle on my behalf?

Shell will settle any employment/income taxes (including, where relevant, federal and regional taxes) and social security contributions which arise on your award in your base and assignment host countries (subject to normal IBAS policy).

Any capital taxes, such as wealth or capital gains taxes which arise once you have taken ownership of the shares, will be for your own account. Where any such liabilities arise in your assignment, host country Tax Protection may apply as per IBAS policy.

Further information on tax protection is available [here](#).

### 4. What if capital gains taxes are due at sale in the country in which I am currently working?

Any capital gains tax due in both the home and the host location will be for your account although normal IBAS policies would apply to any such gains and it is possible that Tax Protection may apply to any such gain (subject to normal IBAS policy).

### 5. What happens if I don't agree with the hypothetical taxes that have been calculated?

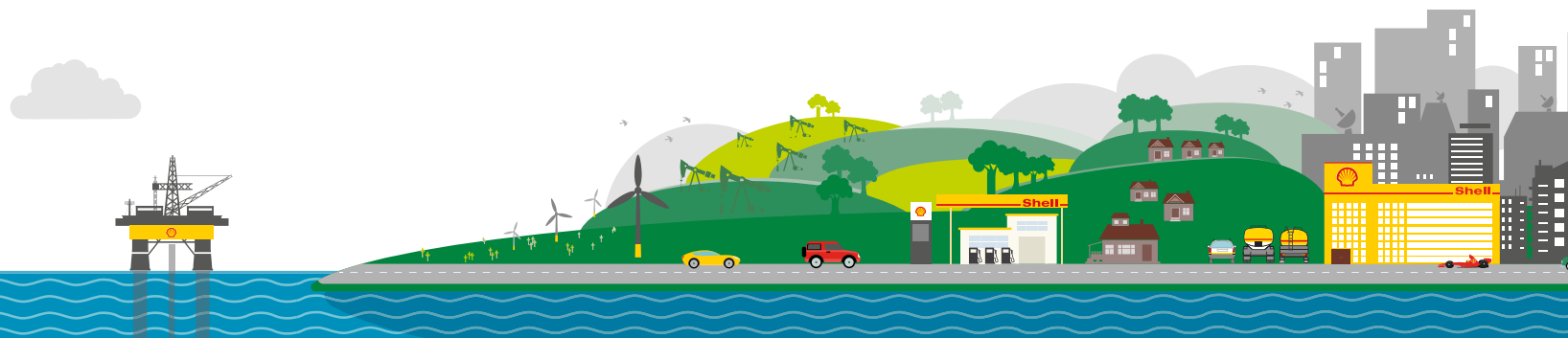
The base country tax rates applied to your award have been provided by Deloitte and/or AIRINC and reviewed and agreed between Shell Group Tax and HR. Your hypothetical tax calculation will not be reviewed and amended, unless you can demonstrate that there has been an error in the country that Shell has identified as your base country.

### 6. Who will get the benefit of any tax deductions and/or reliefs?

Shell generally receives the benefit of any deductions and reliefs as well as any Shell-paid foreign tax credits created, as per IBAS policy.

### 7. What happens if the actual tax liability on the award is greater or lesser than the hypothetical deduction from my award?

Shell will pay the balance where actual liability is greater than the hypothetical tax amount. Where the actual tax liability is less than the hypothetical deduction, then the difference will be kept by Shell.



I have been on a Long Term International Assignment at any time from 1st January 2021 to the vesting of my award in 2024



## Payment of Tax

### 1. How will the actual tax on my award be settled?

The mechanism for settling any taxes due will depend on the tax jurisdictions in which you have a liability. In some countries, the award will be subject to income tax withholding and will be settled via the payroll. In others, any tax due will need to be settled via a personal income tax return. Deloitte will be responsible for calculating the withholding tax due, or amount to be reported on your tax return, in accordance with the location history entered into EquatePlus. Shell will then take steps to settle this liability in accordance with local rules.

You may be required to complete a tax return to ensure that all tax implications of the award are correctly dealt with (even in countries where the award is also subject to withholding). Where this is the case, you will be contacted by Vialto Partners, Shell's third party tax return provider, and will be expected to comply with their directions for the completion of your tax returns.

Please be aware that these requirements may sometimes arise in countries where your assignment has already ceased.

### 2. How will I know that Shell has paid all actual taxes due on my behalf?

The actual tax due on an award will be calculated by Deloitte in accordance with the tax positions agreed between Shell and Deloitte. Deloitte will provide Shell with a report of all withholding tax liabilities and future reportable amounts which have arisen in connection with your award to enable Shell to settle any liabilities which arise.

In most cases payment of taxes is made via the payroll in the relevant country. Tax return support will also be provided in all locations where personal tax return reporting is required to ensure that the tax on these awards is settled correctly.



I have been on a Long Term International Assignment at any time from 1st January 2021 to the vesting of my award in 2024



## Tax Return Information

### 1. Am I entitled to support with filing tax returns to report tax equalised PSP or LTIP income?

If the amount of tax paid through payroll on your equity income is final, you will not need tax return support. (You can check with [HR Operations](#) whether the country you are in falls into this category). In situations where the amount of tax paid through payroll on your equity is not final, you may need assistance with filing your tax return. This will be supported and provided by Vialto Partners, Shell's third party tax return provider, at the relevant time.

Please note that tax return support will only be provided in host and, where applicable, in base countries. You will not be authorised for assistance in any other country. If you have any questions about the provision of tax return support, please send them via the [Share Plans Query form](#).

### 2. I have to provide information to Vialto Partners, Shell's 3rd party tax adviser, about the vesting / delivery of PSP or LTIP. Where can I find the details?

An individual tax summary applicable to each transaction can be found on your EquatePlus account under Transaction History. If you are a US local your delivery will have been made to your Fidelity Brokerage account where you will see the share transaction. The tax calculation is visible in your payslip.

### 3. I have left Shell and returned to my base country, but did not work there - what do I have to report in my tax return?

Usually there is no withholding requirement for Shell when you receive the award. Depending on local legislation, you may be required to report the value in your income tax return and apply, where possible, treaty provisions. If you are in this situation, you can send an e-mail to [HR Operations](#) and request whether you are entitled to income tax return support. You will be informed accordingly. Only support in the Base Country will be considered.

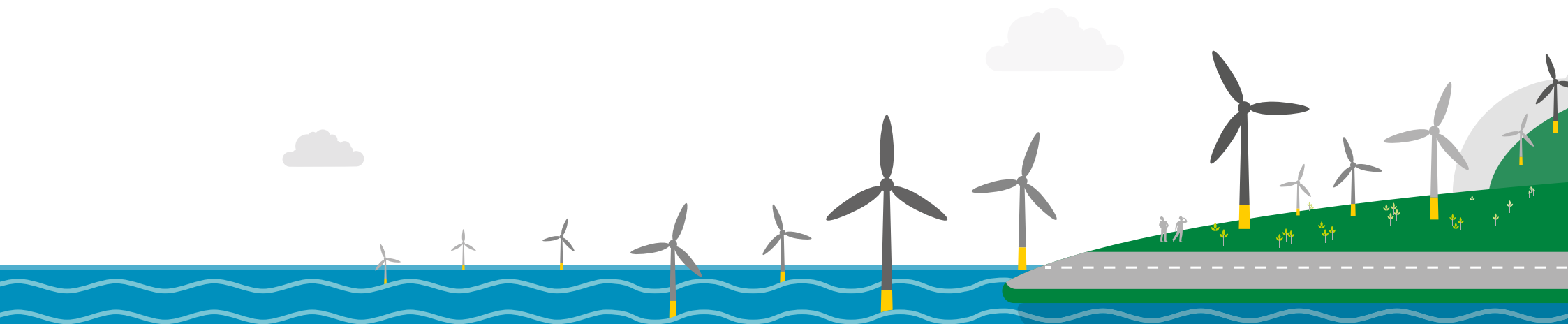


I have been on a Long Term International Assignment at any time from 1st January 2021 to the vesting of my award in 2024



## YOUR RESOURCE CENTRE

<b>Your individual tax calculation</b>	Go to your EquatePlus <a href="#">Account</a> or via SSO <a href="#">here</a> under Transaction History
<b>International Mobility Policy</b>	Further details can be found at the International Mobility website
<b>Country Summary Tax Guide</b>	Country Tax guide including Foreign Asset reporting
<b>Online help</b>	EquatePlus <a href="#">Account</a> or via SSO <a href="#">here</a> <a href="#">Shell Share Plans microsite</a> – click <a href="#">here</a> to access information if you are not logged into the Shell network. <a href="#">HR Online</a> - click <a href="#">here</a>
<b>Share Plans Query form</b>	Use our <a href="#">Share Plans Query form</a> if you have questions about the taxation of your Award that cannot be answered from the materials.
<b>HR Operations</b>	If you are unable to access our Share Plans Query form, please send an email to <a href="#">HR Operations</a> if you have questions about the taxation of your Award that cannot be answered from the materials.
<b>Follow us on Viva Engage</b>	Let's talk about Shell's share plans



I have been on a Long Term International Assignment at any time from 1st January 2021 to the vesting of my award in 2024



## Introduction

*This document provides important information about tax calculations on vesting of awards under the Performance Share Plan (PSP) and Long Term Incentive Plan (LTIP).*

*All tax calculations have been carried out taking account of the data in Shell HR systems (Shell People) and certain data items provided by you, prevailing tax rules on equity income in the relevant jurisdictions and the relevant Shell policy.*

*Shell has worked with Deloitte LLP ("Deloitte") and local country tax managers to agree the basis of these calculations and has appointed Deloitte to perform the calculations. Shell International Limited has provided the answers to the tax questions below.*

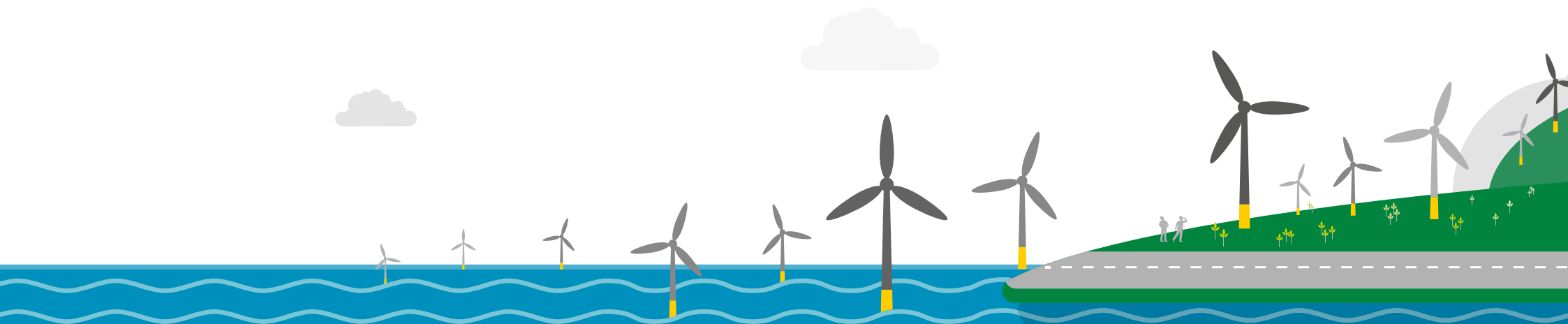
*Please note that neither Computershare nor Fidelity are permitted by Shell to respond to questions on personal tax. If you have any questions regarding tax, please send your questions via the [Share Plans Query form](#). HR Operations are not able to check the individual tax calculations prepared by Deloitte.*

*In exceptional circumstances where you can demonstrate and prove that an error has been made in your case, this will be referred to Shell Group Tax.*

## Foreign Asset Reporting:

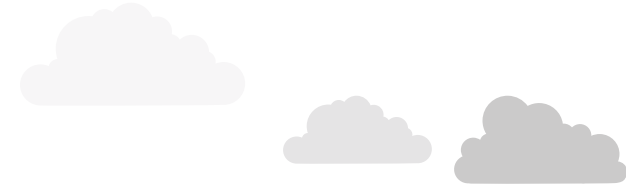
As a result of participating in Shell's share plans, employees (current and former) in certain locations will have a requirement to comply with local reporting requirements regarding their holdings of Shell shares. Although Shell does not provide individual tax advice, Shell would like to provide employees with high level information in certain locations where there are Foreign Asset Reporting requirements to assist employees with their understanding of their obligations. Please refer to the Country Tax guide [here](#) to read more.

Please refer to "Your Resource Centre" for additional useful information.



I have been on local or Local Non National (LNN) terms throughout the entire period from 1st January 2021 to the vesting of my award in 2024





## How is my Award Taxed?

### 1. When is my award taxed?

The tax liability on the award is determined by certain key factors during the life time of the award. Citizenship, fiscal residency are examples of these key factors. The award may be taxable at vest, at distribution or when leaving the country. Depending on the local jurisdiction, the tax liability may be processed by withholding tax and social security contributions (if required), and will be done via the payroll. In some countries, the tax liability has to be paid via the income tax return.

Capital gains tax may be due when selling the shares. Shell does not provide any advice on this tax and you are advised to consult an independent tax adviser.

### 2. I have left Shell Group service so why have income taxes been withheld?

Shell is responsible for ensuring withholding liabilities are covered. Therefore, even though you are no longer employed by the Shell Group we are obliged to make deductions, if required to do so, according to the tax jurisdiction. If this is the case for you then taxes will have been withheld.

### 3. I would like to request individual tax advice on preferential tax treatment.

Shell Group Tax will not assist in tax planning around equity incentive plans. Further information may be found in the Country Tax guide [here](#). If you cannot find the information about the country then you should consult an independent tax adviser.



I have been on local or Local Non National (LNN) terms throughout the entire period from 1st January 2021 to the vesting of my award in 2024



## Tax Calculation

### 1. My vested PSP/LTIP award has been delivered and has been based on incorrect information, e.g. location history, leaver status. How can this be rectified?

If you believe the information used to calculate your tax withholding was not correct, you should let us know by contacting us via the [Share Plans Query form](#) so that your case can be investigated.

### 2. I don't agree with the taxes that have been calculated. What should I do?

The taxes have been calculated in accordance with the tax rules in the relevant jurisdictions and your employment history according to Shell HR systems. If you do not agree with the outcome you should consult an independent tax adviser and apply for a correction, if one is required, through your tax return.

### 3. Where is the tax calculator hosted?

Computershare pass the relevant details online securely to Deloitte who perform the automated tax calculation and return it to Computershare. For US locals, the taxes are calculated by US payroll.

### 4. What withholding tax rate is applied?

Taxes are calculated using the marginal withholding rate. Computershare and Deloitte do not have access to personal information such as salary or other income that you may receive which may be material to the tax rate that is applicable in any particular situation. Please also note that the system that we use to calculate withholding is a global system and has therefore had to be standardised in order for it to work successfully.

In the few cases where the actual withholding tax rate that should apply to you may be less than the marginal rate that has been applied then your local payroll

may refund the extra amount to your bank account. Alternatively, and especially in situations where you are no longer on the company payroll, a tax return will need to be filed in order to reclaim any over-withholding (e.g. you may be entitled to personal allowances which can only be claimed on a tax return rather than through the payroll administration).

### 5. What other taxes may be due?

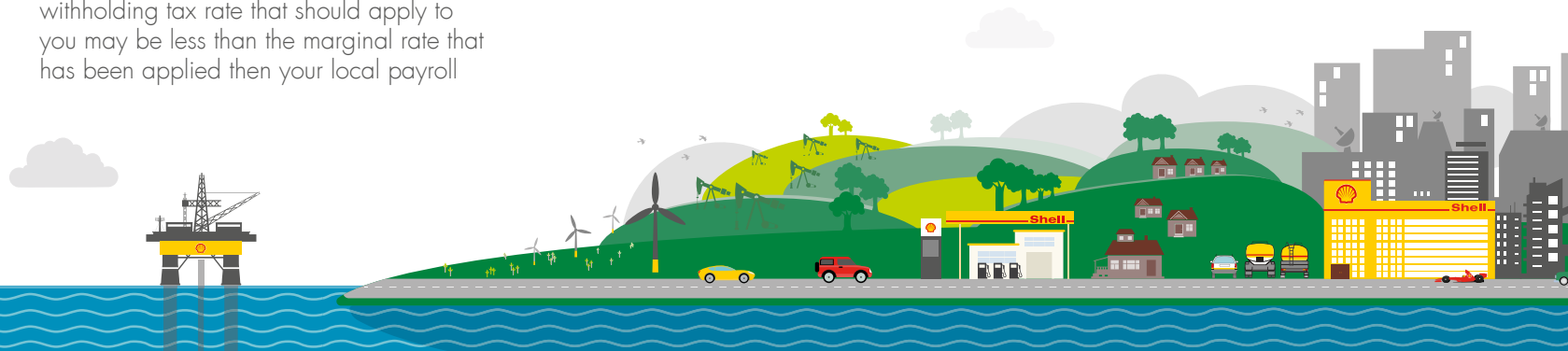
Shell is only obliged to withhold and report income and social taxes. The system will not deduct income tax where no withholding is legally required nor will it calculate capital gains tax, i.e. you are responsible yourself for ensuring that the transaction is correctly reported to the tax authorities in case there are other taxes due such as capital gains.

### 6. If I leave Shell part way through the vesting period, how will this affect my tax calculation?

Generally, income from equity can only be allocated to locations where you have been employed by Shell.

Therefore, if you worked in country X at award for the first year of vesting, and then left Shell, all of the income will be allocated to country X as this was where the award was "earned".

Another example: If you worked in Country X at award for one year before moving to Country Y and working there for a year before leaving Shell, the income would be allocated 50% to each location as again, 50% was "earned" in Country X and 50% was "earned" in Country Y.



I have been on local or Local Non National (LNN) terms throughout the entire period from 1st January 2021 to the vesting of my award in 2024



## Payment of Tax

### 1. What are the tax consequences when PSP or LTIP vests?

A tax liability may arise on the vesting or the distribution of PSP or LTIP. Such taxes may have to be withheld at source at the time of the vest or the distribution (as applicable) or may have to be paid via the annual tax return process.

Tax withholding on performance shares has been advised by Deloitte, our external advisers and signed off by Shell's local tax managers. The rules are based on domestic tax legislation, tax treaties, etc and are not Shell specific rules. The withholding that Shell is obliged to deduct, cannot be amended.

### 2. Why did I have tax deducted when my PSP/LTIP vested?

Where it is legally required by a country's tax rules to withhold taxes and/or social security, an appropriate amount will be deducted from the vesting or distribution of PSP or LTIP. The requirement to deduct, and the amount that is deducted, is not governed by Shell but by the tax legislation of the country involved in the transaction. Therefore, where tax withholding is required, Shell must withhold the relevant amounts (by a deduction of shares to cover) Shell cannot,

and will not, deliver the gross number of shares to you (if your award is share settled) nor will not pay the gross cash amount to you (if your award is cash settled).

Note also that this is referred to in the relevant plan rules.

### 3. I have had tax withheld for more than one country, is that correct?

There may be a legal withholding requirement for the country where you are at vest or distribution as well as other countries where you have worked from the award date (or in some cases from the start of the performance period) to the date of vest or distribution depending on the tax rules of the countries in question. The Transaction History available on your EquatePlus account shows the breakdown of taxes in the jurisdictions in which you have a liability.

If a double tax situation arises, you may be able to claim double tax relief through your personal income tax return in your country of residence. You are advised to consult an independent tax adviser.

### 4. How do the taxes withheld get paid to the tax authority?

In most cases payment of taxes is made via the payroll in the relevant country to comply with the tax rules in the country. This often applies even if you have left Shell employment in that country.

### 5. I thought I should pay tax on delivery of my PSP/LTIP but nothing has been withheld.

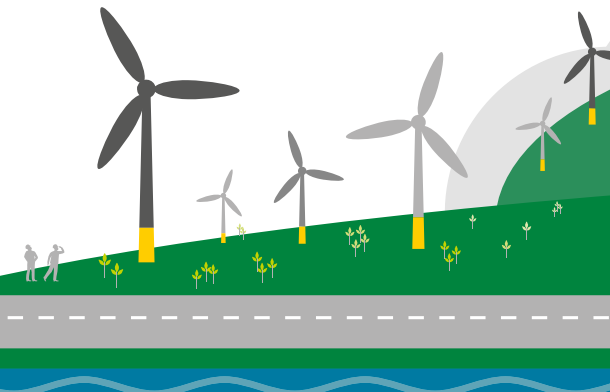
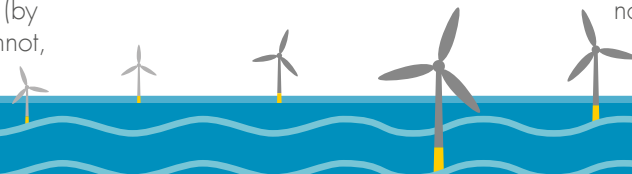
Please note that in some cases the income tax liability needs to be paid on a tax return rather than via withholding through payroll. This will be indicated in your transaction summary report, in the 'Future Reportable Amount' field. This will show the amount you should report on your income tax return.

### 6. How do I know if the tax that has been deducted has been paid over to the tax authorities?

You can assume that if tax has been deducted from your transaction, this has been paid over to the intended tax authority. We are not able to confirm on an individual basis that funds deducted from your transaction, have actually been paid over to the tax authority. Please note that in a very small number of cases,

we are sometimes unable to make payments to the tax authority (perhaps because we no longer have operations in that country and hence have no means of passing the money on). In these rare instances, you will be notified by either Shell or Computershare and the money that was deducted will be returned to you and you will have to pay this to the tax authority when you file your tax return for that country.

If you do not receive this notification, you can assume that the tax deducted from your transaction has been paid to the tax authority. If however you require confirmation of the tax remittance (for example, to satisfy a tax authority inquiry) you can request this from the country payroll in which the tax payment was due. To do so you should submit a request by contacting us via the [Share Plans Query form](#).



I have been on local or Local Non National (LNN) terms throughout the entire period from 1st January 2021 to the vesting of my award in 2024



## Tax Return Information

### 1. I have to provide information to my tax adviser about the vesting / delivery of my award, where can I find the details?

An individual tax summary applicable to each transaction can be found on your EquatePlus account under Transaction History.

If you are a US local your delivery will have been made to your Fidelity Brokerage account where you will see the share transaction. The tax calculation is visible in your payslip.

### 2. My transaction history summary shows the tax information in Euro but I need to make my tax return in the currency of the taxing jurisdiction. What exchange rate should I use to make the conversion?

For local income tax return reporting requirements, please use the exchange rate on the date of distribution /vest in order to convert the PSP/LTIP income and tax withholding amounts from Euros, Pound Sterling, or US Dollars into local currency. The exchange rate reflected on <http://www.oanda.com> will be acceptable for this. Please note that due to the timing of payments through local payroll there may be a small difference in the amount actually reported to the local Revenue authorities.

However, this difference will be immaterial and should not impact your overall income tax position.

### 3. What do I need to report on my tax return?

The information to help you to complete your tax return can be found on your individual transaction history summary hosted in the Library on your EquatePlus account. If you are in any doubt as to how to complete a tax return you should consult an independent tax adviser.

If you are a US local your delivery will have been made to your Fidelity Brokerage account where you will see the share transaction. The tax calculation is visible in your payslip.

### 4. Does Shell make any reports to the tax authorities?

In most jurisdictions Shell is required to report details of awards and / or vesting or distribution to the relevant tax authorities.

### 5. Where can I find more information on a country's tax rules?

Please refer to the Country Tax guide in the Shell Share Plan microsite [here](#).

### 6. Will I receive a tax calculation summary once my award has been delivered?

A transaction history summary with all the tax details that relate to your transaction will be stored under "Transaction History" in your EquatePlus account. The transaction summary contains important information that you may need for completing your tax return. If your tax return is completed by a third party tax adviser, you will need to supply them with a copy of this summary. If you are a US local your delivery will have been made to your Fidelity Brokerage account where you will see the share transaction. The tax calculation is visible in your payslip.

### 7. I need to declare the individual share price relating to the delivery of my shares on my tax return. Where do I get this value from?

You can find this detail under Transaction History within your EquatePlus account. If you are a US local your delivery will have been made to your Fidelity Brokerage account where you will see the share transaction.

I have been on local or Local Non National (LNN) terms throughout the entire period from 1st January 2021 to the vesting of my award in 2024



## YOUR RESOURCE CENTRE

<b>Your individual tax calculation</b>	Go to your EquatePlus <a href="#">Account</a> or via SSO <a href="#">here</a> under Transaction History
<b>International Mobility Policy</b>	Further details can be found at the International Mobility website
<b>Country Summary Tax Matrix</b>	Country Tax guide including Foreign Asset reporting
<b>Online help</b>	EquatePlus <a href="#">Account</a> or via SSO <a href="#">here</a> <a href="#">Shell Share Plans microsite</a> – click <a href="#">here</a> to access information if you are not logged into the Shell network. <a href="#">HR Online</a> - click <a href="#">here</a>
<b>Share Plans Query form</b>	Use our <a href="#">Share Plans Query form</a> if you have questions about the taxation of your Award that cannot be answered from the materials.
<b>HR Operations</b>	If you are unable to access our Share Plans Query form, please send an email to <a href="#">HR Operations</a> if you have questions about the taxation of your Award that cannot be answered from the materials.
<b>Follow us on Viva Engage</b>	Let's talk about Shell's share plans



I have been on local or Local Non National (LNN) terms throughout the entire period from 1st January 2021 to the vesting of my award in 2024