

Shell Shareholders Organisation

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Mr Mark Moody-Stuart
Group Chairman
Royal Dutch Shell Group
Shell Centre
London

18 PAGES BY FAX ONLY TO: 0171 934 8060

Dear Mr Moody-Stuart

Following the correspondence initiated by your wife, my son wrote to Mr Malcolm Brinded on 19th and 20th May seeking his consent to supply information to both of you which is highly relevant to the issue at the heart of the past and current litigation. I have incorporated into this letter part of the content of his first letter to Mr Brinded.

My son received a response this afternoon indicating that "Mrs Moody-Stuart feels that she does not need the material your father offered to her." This is puzzling in view of the absence of any such comment in the card that I received from her yesterday. I can only assume that Mrs Moody-Stuart asked you to pass her comment on to Mr Brinded. If so, then I will of course fully respect her wishes.

As you may be aware, Mr Andrew Lazenby has been the central figure in the litigation. We have alleged in the current case that he deliberately misused confidential information supplied to him in good faith. I know that it must seem unlikely to you that a Shell Manager would behave in this way. If I did not know the background I would think the same.

I know you are busy and have little time to read lots of paperwork. I have therefore decided to enclose just two documents. They are witness statements from highly reputable independent people. One is from Mr Mike McMahon and the other from Mr John Armstrong-Holmes. Please note when reading the statements the Options to which both make reference must be the one Shell took from Don Marketing – there is no suggestion that Shell ever took any other Option on a loyalty scheme.

I assume that the CMD is unaware of these witness statements and the associated self-incriminating documents written by Mr Lazenby, which provide a definitive answer to the question mark over his honesty and scruples.

Although you have probably been led to believe by the Legal Department of Shell UK that Mr Lazenby is an innocent victim of an obsessive serial litigant, the evidence proves that Mr Lazenby used underhand business practices during the Smart project on a "predatory" basis. The Shell documents provide absolute proof. Mr Lazenby is convicted by his own words.

Please consider whether it is appropriate for you and your colleagues at the highest levels of Shell to continue to support Mr Lazenby. The consequence of that support is that Shell Management is endorsing the dishonest practices in which Mr Lazenby has engaged on Shell's behalf. Such activity cannot possibly be compatible with Shell's Statement of General Business Principles. I will be supplying the witness statements and other evidence to all Directors of Shell UK Limited including Mr Steve Miller.

The appointment of Mr Lazenby to a position in which he had no experience, no training and no scruples, has cost my family several years of our lives and all of our assets, plus over a million pounds of shareholders money wasted and immeasurable damage to Shell's reputation.

You are of course already very conversant with the Don Marketing Saga. It is a matter of record that you have been "in the loop" in these matters for a number of years. It is also my understanding that you were involved in the decision making process which led to the funding agreement (offered to us by Dr Fay at the end of May 1995) and the subsequent mediation in 1996. My son has corresponded with you in regard to the current claim. I further understand that you were a member of the CMD at the time when it approved the Smart Consortium Project. You are of course Group Chairman of the Royal Dutch Shell Group which includes the two parent companies – Royal Dutch and Shell Transport, which jointly own and control Shell UK Limited. No doubt you will advise if any of this information is incorrect.

As the trial is only a few weeks away, I would specifically ask for your written response by close of business on Tuesday 25th May 1999 on whether you intend to continue to give your own complete support to Mr Lazenby, despite the further evidence that has emerged. In the event of no response from you on this point I will assume that he still has your unreserved backing.

Yours sincerely

Alfred Donovan