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UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

FILED

DEC 01 1999

STATE OF ALASKA, STATE OF CALIFORNIA, STATE OF OREGON AND STATE OF WASHINGTON,

Plaintiffs,

v.

EXXON CORPORATION, a New Jersey corporation, and MOBIL CORPORATION, a Delaware corporation,

Defendants.

UNITED STATES DISTRICT COURT, DISTRICT OF ALASKA
CIVIL ACTION NO.

A 99 - 618 CV

CONSENT DECREE AND FINAL JUDGMENT

Deputy
[Signature]

Plaintiffs, the States of Alaska, California, Oregon and Washington, filed their Complaint herein and Defendants were duly served with copies of the Summons and Complaint. Defendants, by and through their attorneys, have consented to the entry of this Consent Decree and Final Judgment without trial or adjudication of any issue of fact or law herein and have waived notice of presentation of this Consent Decree and Final Judgment ("Consent Decree"). This Consent Decree does not constitute any evidence against or an admission by any party with respect to any issue of law or fact herein.

Defendants have agreed to be bound by the provisions of this Consent Decree and there is no just reason for delay in its entry.

Prompt and certain divestiture of assets is the essence of this agreement. The parties intend to require Defendants to divest certain assets so as to ensure that the assets will be maintained as competitive, viable and ongoing. Defendants have represented to plaintiffs that the divestitures below can and will be made as provided in this Consent Decree. By signing this Consent Decree, Defendants represent and warrant that they can accomplish the full relief contemplated by this

COPY

12

1 Consent Decree (including effectuating all required divestitures, and obtaining all necessary third-
2 party approvals to effectuate the divestitures), and that all parents, subsidiaries, affiliates, and
3 successors necessary to effectuate the full relief contemplated by this Consent Decree are parties to
4 the Consent Decree and are bound thereby as if they had signed this Consent Decree and were made
5 parties to this matter.

6 NOW, THEREFORE, before the taking of any testimony, and without trial or adjudication
7 of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby ORDERED,
8 ADJUDGED, AND DECREED as follows:

9
10 **I. JURISDICTION**

11 A. This Court has jurisdiction over the subject matter of this action and over each of the
12 parties hereto. The Complaint states a claim upon which relief may be granted against the
13 Defendants under Section 7 of the Clayton Act, as amended (15 U.S.C. §18).

14 B. The state Attorneys General of Alaska, California, Oregon and Washington have
15 authority to bring this action pursuant to Section 16 of the Clayton Act, 15 U.S.C. § 26.

16 **I. DEFINITIONS**

17 As used in this Consent Decree:

18 A. "Commission" means the Federal Trade Commission.

19 B. "Defendants" means Exxon and Mobil, individually and collectively, and the
20 successor corporation (to be known as ExxonMobil Corporation).

21 C. "Exxon" means Exxon Corporation, its directors, officers, employees, agents and
22 representatives, predecessors, successors, and assigns; its joint ventures subsidiaries, divisions,
23 groups and affiliates controlled by Exxon, and the respective directors, officers, employees, agents,
24 representatives, successors, and assigns of each.
25
26

1 B. Nothing herein shall suggest that any portion of this Consent Decree is or has been
2 created for the benefit of any third party and nothing herein shall be construed to provide any rights
3 to third parties.

4 III. DIVESTITURE OF ASSETS

5 A. Defendants are hereby ordered and directed to divest the Mobil TAPS Assets
6 absolutely and in good faith and at no minimum price, within nine (9) months of the Reference Date
7 (the "Divestiture Period"), provided, however, that divestiture of (1) Mobil's interest in the Prince
8 William Sound Oil Spill Response Corporation and (2) Mobil's interest in the terminal tankage
9 governed by Section 3.2 of the Trans Alaska Pipeline System Agreement in excess of a three
10 percent interest in such tankage shall be at the purchaser's option.
11

12 B. Defendants shall divest the Mobil TAPS Assets only to a purchaser that receives the
13 prior approval of all of the plaintiffs and only in a manner that receives the prior approval of the
14 plaintiffs.
15

16 C. Plaintiffs' decision to approve or disapprove the proposed divestiture and purchaser
17 shall be based only upon the following criteria:

18 (1) whether the purchaser intends to use the assets to be divested for the purpose of
19 competing effectively in providing interstate and intrastate petroleum transportation services
20 for shippers of petroleum on the North Slope of Alaska;

21 (2) whether the purchaser has the managerial, operational, and financial capability
22 to compete effectively in providing such transportation services, and
23

24 (3) whether the divestiture to purchaser will adversely affect competition in the
25 provision of such services.
26

1 Defendants, in their notification pursuant to Paragraph VII or otherwise, shall
2 establish to the satisfaction of the plaintiffs that the proposed divestiture and purchaser satisfies the
3 criteria set forth above.

4
5 **D.** Nothing in this section (Divestiture of Assets) shall be construed to modify or waive
6 any contractual, regulatory, or statutory rights or obligations with respect to the transfer or
7 assignments of interests in TAPS or the TAPS right of way. In addition, approval of a purchaser
8 under this Consent Decree shall not constitute any modification or waiver of such rights or
9 obligations.

10 **E.** Pending the divestiture of the Mobil TAPS Assets, Defendants shall take such
11 actions as are necessary to maintain the viability and marketability of the assets and to prevent the
12 destruction, removal, wasting, deterioration, or impairment of such assets except for ordinary wear
13 and tear.

14
15 **F.** Defendants shall take all reasonable steps to quickly accomplish the divestiture
16 contemplated by this Consent Decree.

17 **G.** The purpose of the divestiture of the Mobil TAPS Assets is to prevent the
18 combination of Mobil's and Exxon's interests in TAPS and to remedy the lessening of the
19 competition resulting from the proposed Merger as alleged in the Complaint filed in this action.

20
21 **H.** Defendants shall make available to plaintiffs and to the purchaser customary
22 information about the personnel employed at the Mobil Alaska Pipeline Company to enable the
23 purchaser to make offers of employment. Defendants shall not interfere with any negotiations by
24 the purchaser to employ any Mobil employee whose primary responsibility is the operation or
25 marketing of the services provided by the Mobil TAPS Assets.
26

1 I. Defendants shall submit an initial compliance report at the time they execute this
2 Consent Decree and shall submit additional compliance reports beginning sixty (60) days from the
3 date when this Consent Decree is entered, and every sixty (60) days thereafter until the divestiture
4 has been completed or a trustee is appointed. Such reports shall be in writing and each such report
5 shall set forth in detail the manner and form in which they intend to comply, are complying, and
6 have complied with these Paragraphs. Defendants shall include in their compliance reports, among
7 other things that are required from time to time, a full description of the efforts being made to
8 comply with these Paragraphs, including a description of all substantive contacts or negotiations for
9 the divestitures and the identity of all parties contacted. Defendants shall include in their
10 compliance reports copies of all written communications to and from such parties, all internal
11 memoranda, and all reports and recommendations concerning divestiture.
12

13
14 **V. APPOINTMENT OF TRUSTEE**

15 A. In the event that Defendants have not divested the Mobil TAPS Assets within the
16 Divestiture Period, and that time has not been extended pursuant to this Consent Decree or in
17 writing by the plaintiffs, the plaintiffs shall have the right to ask the Court to appoint a trustee.
18 Plaintiffs shall provide notice to the Defendants of any application to the Court for the appointment
19 of a trustee.
20

21 B. If plaintiffs ask the Court to appoint a trustee pursuant to Paragraph V.A. of this
22 Consent Decree, subject to the approval of this Court, plaintiffs shall select, in consultation with the
23 Commission, a person or persons as trustee, subject to the consent of Defendants, which consent
24 shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in
25 acquisitions and divestitures. If Defendants have not opposed, in writing, including the reasons for
26 opposing, the selection of any proposed trustee within ten (10) days after notice by the plaintiffs of

1 the identity of any proposed trustee, Defendants shall be deemed to have consented to the selection
2 of the proposed trustee.

3 C. Subject to the prior approval of the plaintiffs, the trustee shall have the exclusive
4 power and authority to divest the Mobil or Exxon TAPS Assets, all on such terms and conditions as
5 are necessary to comply with the requirements of this Consent Decree, to comply with all
6 applicable laws, and to effectuate the remedial purposes of this Consent Decree.
7

8 D. Within ten (10) days after appointment of the trustee, Defendants shall execute a
9 trust agreement that, subject to the prior approval of the Court, transfers to the trustee all rights and
10 powers necessary to permit the trustee to effect the divestiture required by this Consent Decree.

11 E. The trustee shall have twelve (12) months from the date the trust agreement is
12 approved to accomplish the divestiture of the Mobil or Exxon TAPS Assets, which shall be subject
13 to the prior approval of the plaintiffs. If, however, at the end of the twelve-month period, the
14 trustee has submitted a plan of divestiture or believes the divestiture can be achieved within a
15 reasonable time, the divestiture period may be extended by the Court.
16

17 F. The trustee shall have full and complete access to the personnel, books, records and
18 facilities related to the assets to be divested or to any other relevant information, as the trustee may
19 request. Defendants shall develop such financial or other information as such trustee may request
20 and shall cooperate with the trustee. Defendants shall take no action to interfere with or impede the
21 trustee's accomplishment of the divestiture. Any delays in divestiture caused by Defendants shall
22 extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined
23 by the Court.
24

25 G. The trustee shall use his or her best efforts to negotiate the most favorable price and
26 terms available for the divestiture, subject to the Defendants' absolute and unconditional obligation

1 to divest expeditiously at no minimum price. The divestiture shall be made in the manner and to a
2 purchaser as set out in this Consent Decree; provided, however, if the trustee receives bona fide
3 offers from more than one purchaser, and if the plaintiffs determine to approve more than one such
4 purchaser, the trustee shall divest to the purchaser or purchasers selected by Defendants from
5 among those approved by the plaintiffs.
6

7 **H.** The trustee shall serve, without bond or other security, at the cost and expense of
8 Defendants, on such reasonable and customary terms and conditions as the Court may set. The
9 trustee shall have the authority to employ, at the cost and expense of Defendants, such consultants,
10 accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives
11 and assistants as are reasonably necessary to carry out the trustee's duties and responsibilities. The
12 trustee shall account for all monies derived from the divestiture and all expenses incurred. After
13 approval by the Court of the account of the trustee, including fees for his or her services, all
14 remaining monies shall be paid at the direction of the Defendants, and the trustee's power shall be
15 terminated. The trustee's compensation shall be based, at least in significant part, on a commission
16 arrangement contingent on the trustee's divesting the assets to be divested.
17

18 **I.** Defendants shall indemnify the trustee and hold the trustee harmless against any
19 losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the
20 performance of the trustee's duties, including all reasonable fees of counsel and other expenses
21 incurred in connection with the preparation for, or defense of any claim, whether or not resulting in
22 any liability, except to the extent that such liabilities, losses, damages, claims or expenses result
23 from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.
24

25 **J.** If the trustee ceases to act or fails to act diligently, a substitute trustee shall be
26 appointed in the same manner as provided in Section V.B. of this Consent Decree.

1 K. The trustee shall have no obligation or authority to operate or maintain the assets to
2 be divested.

3 L. The trustee shall report in writing to the parties and the Court every sixty (60) days
4 concerning the trustee's efforts to accomplish the divestiture.
5

6 M. The appointment of a trustee, or failure to appoint a trustee, shall not preclude the
7 plaintiffs from seeking civil penalties and any other relief available to them, for Defendants' failure
8 to comply with this Decree.

9 **VI. ADDITIONAL RELIEF**

10 If Defendants have not divested the Mobil TAPS Assets within the Divestiture Period, the
11 trustee appointed may substitute the Exxon TAPS Assets for the Mobil TAPS Assets.
12

13 **VII. NOTIFICATION**

14 A. Within five (5) business days following execution of a letter of intent or definitive
15 agreement for sale of the Mobil TAPS Assets, Defendants or the trustee, whichever is then
16 responsible for effecting the divestiture required herein, shall notify the plaintiffs of any proposed
17 divestiture.

18 B. If the trustee is responsible, he or she shall likewise notify Defendants. The notice
19 provided by the trustee shall set forth the details of the proposed transaction and list the name,
20 address, and telephone number of each person not previously identified who offered or expressed an
21 interest in or desire to acquire any ownership interest in the divestiture assets, together with full
22 details of the same.
23

24 C. Within fifteen (15) days after receipt of the notice, the plaintiffs may request
25 additional information concerning the proposed divestiture, the proposed purchaser, and any other
26 potential purchaser. Defendants or the trustee shall furnish the additional information within fifteen

1 (15) days of the receipt of the request. Within thirty (30) days after receipt of the notice or within
2 fifteen (15) days after receipt of the additional information, whichever is later, the plaintiffs shall
3 notify in writing Defendants and the trustee, if there is one, if they object to the proposed divestiture
4 and set forth the reasons for such objection. If the plaintiffs fail to object within the period
5 specified, or if the plaintiffs notify in writing Defendants and the trustee, if there is one, that they do
6 not object, then the divestiture may be consummated; provided however, that upon objection by the
7 plaintiffs or by Defendants, the proposed divestiture shall not be accomplished unless approved by
8 the Court.
9

10 VIII. PRESERVATION OF ASSETS

11 Until the divestiture has been accomplished Defendants shall comply with all the terms of
12 the Commission's Order to Hold Separate attached to this Consent Decree and made a part hereof
13 as Appendix A hereto applicable to Mobil Alaska Pipeline Company. Defendants will comply with
14 such terms of the Hold Separate Agreement regardless of whether the Commission enters an order
15 finally approving the Merger.
16

17 IX. COMPLIANCE INSPECTION

18 A. For the purpose of determining or securing compliance with this Consent Decree and
19 Final Judgment, and subject to any legally recognized privilege, from time to time

20 (1) duly authorized representatives of the plaintiffs, including consultants and other persons,
21 upon the written request of the plaintiffs, and on reasonable notice to Defendants made to
22 their principal offices, shall be permitted

23 a. access during office hours and in the presence of counsel to all
24 facilities to inspect and copy all books, ledgers, accounts, correspondence,
25 memoranda, and other records and documents in the possession or under the control
26

1 of Defendants relating to any matters contained in this Consent Decree and Final
2 Judgment; and

3 b. subject to reasonable convenience of Defendants and without restraint
4 or interference from them, to interview directors, officers, employees, and agents of
5 Defendants, which may have counsel present, regarding any such matters.
6

7 (2) No information or documents obtained by means provided in this Paragraph (1)
8 shall be divulged by any representative of the plaintiffs to any person other than a duly
9 authorized representative of the Attorneys General of Alaska, California, Oregon, or
10 Washington, except in the course of legal proceedings to which the producing Defendant
11 and any of the plaintiffs are parties, or law enforcement actions to which any of the plaintiffs
12 are a party, or for the purpose of securing compliance with this Consent Decree and Final
13 Judgment, or as otherwise required by law.
14

15 B. If at the time information or documents are furnished by Defendants to the plaintiffs,
16 Defendants represent and identify in writing the portions of any such information or documents for
17 which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil
18 Procedure, and Defendants mark each pertinent page of such documents, "Confidential" or "Subject
19 to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then the
20 plaintiffs shall give ten (10) days' notice to the marking defendant prior to divulging such material
21 in any legal proceeding, except in proceedings to enforce compliance with this Consent Decree, in
22 which case the documents shall be filed under seal.
23

24 X. RETENTION OF JURISDICTION

25 Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this
26 Consent Decree to apply to this Court at any time for such further orders and directions as may be

1 necessary or appropriate for the construction, implementation, or modification of any of the
2 provisions of this Consent Decree, for the enforcement of compliance herewith, and for sanctions
3 for any violations hereof.

4 Defendants hereby further acknowledge that, solely for purpose of this Consent Decree, they
5 will not assert against Plaintiff State of California that the Complaint and Consent Decree filed by
6 such plaintiff in the Central District of California concerning the Merger bars this action, under
7 principles of res judicata, including the elements of "claim preclusion" and "issue preclusion."
8

9 XI. TOLLING OF TIME

10 A. In the event that (1) Defendants enter an Agreement Containing Consent Orders with
11 the Commission relating to File 991-0077; (2) Defendants, within the time period required under
12 this Consent Decree, have submitted a complete application for approval of the divestiture of the
13 Mobil TAPS Assets; (3) plaintiffs have approved the divestiture of the Mobil TAPS Assets and
14 have not withdrawn their approval; (4) the Defendants have submitted a timely and complete
15 application for approval of the divestiture of the Mobil TAPS Assets to the Commission; but (5) the
16 Commission has failed or refused to approve the proposed divestiture, then the time in which the
17 divestiture shall be completed shall be extended (a) for ninety (90) days or the Divestiture Period,
18 whichever is longer, or (b) until the Commission has made a determination pertaining to the
19 proposed divestiture or other relief, whichever is later. During such period of extension, the
20 Defendants shall exercise the utmost good faith and best efforts to resolve the concerns of the
21 Commission.
22

23
24 B. Any failure to divest or assign as a result of the Commission's failure to approve an
25 application for divestiture shall not violate this Consent Decree.
26

OTHER RELIEF

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A. Plaintiffs shall receive their attorneys' fees and costs in the amount of \$223,870, payable within ten (10) business days of entry of this Consent Decree. Defendants shall direct payment to the State of Alaska, Department of Law, attention Janice Gregg Levy. The Alaska Department of Law will forward to California, Oregon and Washington their shares of that sum.

B. Alaska's share of the fees and costs shall be used by the Office of the Attorney General to implement and enforce AS 45.50, to protect Alaska consumers and the state from consumer protection and antitrust violations. Oregon's share of the fees and costs shall be deposited into the Oregon Department of Justice's Consumer Protection and Education Account for use as authorized by ORS 180.095.

C. If any plaintiff or plaintiffs successfully brings an action to enforce the provisions of this Consent Decree, Defendants shall reimburse plaintiff or plaintiffs for all reasonable costs and attorneys' fees associated with bringing such enforcement action. If any plaintiff incurs costs and attorneys' fees in excess of \$5,000 in reviewing Defendants' proposed reacquisition or joint venture of the TAPS Assets, plaintiffs may apply to the Court for an order requiring Defendants to reimburse plaintiffs' reasonable costs and attorneys' fees incurred in such review.

D. The remedies contained in this Consent Decree are in addition to any remedies available to plaintiffs for violation of the terms of this Consent Decree.

XIII. PUBLIC INTEREST

Entry of this Consent Decree is in the public interest.

XIV. TERMINATION

This Consent Decree shall expire ten years from the date of its entry.

A handwritten signature, possibly reading 'JA', is written in the bottom right corner of the page.

1 DATED this 1 day of Nov, 1999.

2 
3 UNITED STATES DISTRICT JUDGE

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A99-0618--CV (HRH)

D. SERDAHELY
T. KOBAYASHI
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T. KOWDO
O&J 10770

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Presented by:

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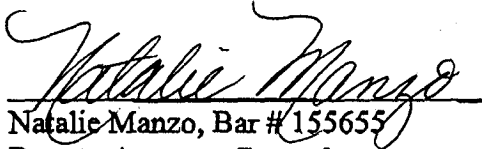
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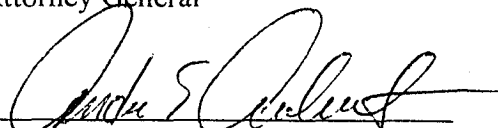
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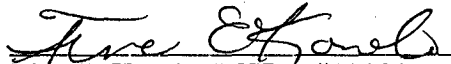
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2 **FOR EXXON AND MOBIL CORPORATIONS**

3 *Douglas J. Serdahely, by Edwin Collier*

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. **UNITED STATES OF AMERICA**
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Robert Pitofsky, Chairman**
 Sheila F. Anthony
 Mozelle W. Thompson
 Orson Swindle
 Thomas B. Leary

In the Matter of)
)
Exxon Corporation,)
a corporation,)
)
and)
)
Mobil Corporation,)
a corporation.)

Docket No. C-
ORDER TO HOLD SEPARATE
AND MAINTAIN ASSETS

The Federal Trade Commission having initiated an investigation of the proposed merger of Respondents Exxon Corporation and Mobil Corporation, and Respondents having been furnished thereafter with a copy of a draft of Complaint that the Bureau of Competition presented to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. §18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders ("Consent Agreement"), containing an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having determined to accept the executed Agreement Containing Consent Orders and to place such Consent Agreement on the public record for a period of thirty (30) days, the Commission hereby issues its Complaint, makes the following jurisdictional findings and issues this Order to Hold Separate and Maintain Assets ("Hold Separate"):

1. Respondent Exxon Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 5959 Las Colinas Boulevard, Irving, Texas 75039-2298.
2. Respondent Mobil Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 3225 Gallows Road, Fairfax, Virginia 22037-0001.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Hold Separate, the following definitions and provisions shall apply:

- A. "Exxon" means Exxon Corporation, its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups and affiliates controlled by Exxon, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. "Mobil" means Mobil Corporation, its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups and affiliates controlled by Mobil, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- C. "Exxon Mobil" means Exxon Mobil Corporation, or any other entity resulting from the merger involving Exxon and Mobil, its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups and affiliates controlled by Exxon Mobil, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- D. "Respondents" means Exxon and Mobil, individually and collectively, and the successor corporation.
- E. "Commission" means the Federal Trade Commission.

- F. "Assets to be Divested" means all the assets required to be divested, the rights required to be assigned, and all other obligations pursuant to Paragraphs II, III, IV, V, VI, VII, VIII, IX, X, XII, XIV, and XV if applicable, of the Decision & Order contained in the Consent Agreement.
- G. "Branded Fuels" means motor gasoline or diesel fuel sold at a Retail Site under a brand name owned by Respondents.
- H. "Computer Networks and Systems" means Respondents' computer systems, applications and shared knowledge networks used to operate and/or manage Respondents' businesses and which contain Material Confidential Information of the Held Separate Business or provide access to Material Confidential Information of the Held Separate Business, including, but not limited to, SAP SALADIN, React, TMS, MIMS/Petrosoft/Optimizer, Business Warehouse, Burster, Filenet, Intelligent Agent, Acxiom, Process Industry Modeling System, PROMIS, Khalix, Dataflex, Bestnet, Exchange Reconciliation, Express and associated tax programs.
- I. "Existing Business Units" means the personnel employed in, and all tangible and intangible property and other assets, used by the units identified in subparagraph I.J.6.a. as of October 1, 1999, except as provided in subparagraph II.B.3.
- J. "Held Separate Business" means:
1. The following Mobil "Natural Business Units" ("NBUs") and "Integrated Business Unit" ("IBU"):
 - a. New England Fuels Marketing NBU, consisting of: (i) all of Mobil's interest in all Mobil branded operating service station facilities as of October 1, 1999, in the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut (the "New England States"), either owned by Mobil, leased by Mobil or supplied by Mobil or its distributors, together with all Retail Assets used in the operation of those facilities owned or leased by Mobil; (ii) all light petroleum products storage and distribution terminals owned or leased by Mobil located in the New England States and all Terminal Assets used in the operation of those terminals; (iii) except as provided in subparagraph II.B.3, all persons employed as of October 1, 1999, in the operation of the service stations described in clause (i) which are operated by Mobil or in the management of Mobil's business relationship with the service stations described in clause (i) which are not operated by Mobil, and the terminals described in clause (ii), including, but not

limited to, all field marketing personnel, field office support staff and persons covered by the contractual rights and obligations described in clause (iv); and (iv) all contractual rights and obligations associated with the assets described in clauses (i) and (ii) above, including, without limitation, real estate and facility leases, franchise agreements, service contracts (both third party and shared service agreements) and exchange agreements;

- b. New York Fuels Marketing NBU, consisting of: (i) all of Mobil's interest in all Mobil branded operating service station facilities as of October 1, 1999, in the State of New York, either owned by Mobil, leased by Mobil or supplied by Mobil or its distributors, together with all Retail Assets used in the operation of those facilities owned or leased by Mobil; (ii) all light petroleum products storage and distribution terminals owned or leased by Mobil located in the State of New York and all Terminal Assets used in the operation of those terminals; (iii) except as provided in subparagraph II.B.3, all persons employed as of October 1, 1999, in the operation of the service stations described in clause (i) which are operated by Mobil or in the management of Mobil's business relationship with the service stations described in clause (i) which are not operated by Mobil, and the terminals described in clause (ii), including, but not limited to, all field marketing personnel and field office support staff and persons covered by the contractual rights and obligations described in clause (iv); and (iv) all contractual rights and obligations associated with the assets described in clauses (i) and (ii) above, including, without limitation, real estate and facility leases, franchise agreements, service contracts (both third party and shared service agreements) and exchange agreements;

- c. Pennsylvania and New Jersey Fuels Marketing NBU, consisting of:
 - (i) all of Mobil's interest in all Mobil branded operating service station facilities as of October 1, 1999, in the States of Pennsylvania and New Jersey, either owned by Mobil, leased by Mobil or supplied by Mobil or its distributors, together with all Retail Assets used in the operation of those facilities owned or leased by Mobil; (ii) all light petroleum products storage and distribution terminals owned or leased by Mobil located in the States of Pennsylvania and New Jersey and all Terminal Assets used in the operation of those terminals; (iii) except as provided in subparagraph II.B.3, all persons employed as of October 1, 1999, in the operation of the service stations described in clause (i) which

are operated by Mobil or in the management of Mobil's business relationship with the service stations described in clause (i) which are not operated by Mobil, and the terminals described in clause (ii), including, but not limited to, all field marketing personnel and field office support staff and persons covered by the contractual rights and obligations described in clause (iv); and (iv) all contractual rights and obligations associated with the assets described in clauses (i) and (ii) above, including, without limitation, real estate and facility leases, franchise agreements, service contracts (both third party and shared service agreements) and exchange agreements;

- d. Mid-Atlantic Fuels Marketing NBU, consisting of: (i) all of Mobil's interest in all Mobil branded operating service station facilities as of October 1, 1999, in the District of Columbia and the States of Delaware, Maryland, Virginia and North Carolina (the "Mid-Atlantic States"), either owned by Mobil, leased by Mobil or supplied by Mobil or its distributors, together with all Retail Assets used in the operation of those facilities owned or leased by Mobil; (ii) all petroleum storage and distribution terminals owned or leased by Mobil located in the District of Columbia and the Mid-Atlantic States and all Terminal Assets used in the operation of those terminals; (iii) except as provided in subparagraph II.B.3, all persons employed as of October 1, 1999, in the operation of the service stations described in clause (i) which are operated by Mobil or in the management of Mobil's business relationship with the service stations described in clause (i) which are not operated by Mobil, and the terminals described in clause (ii), including, but not limited to, all field marketing personnel and field office support staff and persons covered by the contractual rights and obligations described in clause (iv); and (iv) all contractual rights and obligations associated with the assets described in clauses (i) and (ii) above, including, without limitation, real estate and facility leases, franchise agreements, service contracts (both third party and shared service agreements) and exchange agreements;
- e. Florida Fuels Marketing NBU, consisting of: (i) all of Mobil's interest in all Mobil branded operating service station facilities as of October 1, 1999, in the States of Florida and Georgia, either owned by Mobil, leased by Mobil or supplied by Mobil or its distributors, together with all Retail Assets used in the operation of those facilities owned or leased by Mobil; (ii) all light petroleum products storage and distribution terminals owned or leased by

Mobil located in the States of Florida and Georgia and all Terminal Assets used in the operation of those terminals; (iii) except as provided in subparagraph II.B.3, all persons employed as of October 1, 1999, in the operation or management of the service stations described in clause (i) and the terminals described in clause (ii), including, but not limited to, all field marketing personnel and field office support staff and persons covered by the contractual rights and obligations described in clause (iv); and (iv) all contractual rights and obligations associated with the assets described in clauses (i) and (ii) above, including, without limitation, real estate and facility leases, franchise agreements, service contracts (both third party and shared service agreements) and exchange agreements;

- f. Texas Fuels Marketing NBU, consisting of: (i) all of Mobil's interest in all Mobil branded operating service station facilities as of October 1, 1999, in the States of Texas and Louisiana, either owned by Mobil, leased by Mobil or supplied by Mobil or its distributors, together with all Retail Assets used in the operation of those facilities owned or leased by Mobil; (ii) all light petroleum products storage and distribution terminals owned or leased by Mobil located in the States of Texas and Louisiana and all Terminal Assets used in the operation of those terminals, except for the truck rack and associated light petroleum products storage facilities at Mobil's Chalmette refinery, which shall remain outside of the Held Separate Business; provided, however, that the Held Separate Business shall have the right to lift light petroleum products from that truck rack; (iii) except as provided in subparagraph II.B.3, all persons employed as of October 1, 1999, in the operation of the service stations described in clause (i) which are operated by Mobil or in the management of Mobil's business relationship with the service stations described in clause (i) which are not operated by Mobil, and the terminals described in clause (ii), including, but not limited to, all field marketing personnel and field office support staff and persons covered by the contractual rights and obligations described in clause (iv); and (iv) all contractual rights and obligations associated with the assets described in clauses (i) and (ii) above, including, without limitation, real estate and facility leases, franchise agreements, service contracts (both third party and shared service agreements) and exchange agreements; and
- g. Team Mobil West, an IBU, consisting of: (i) all of Mobil's interest

in all Mobil branded operating service station facilities as of October 1, 1999, in the States of California, Arizona and Nevada, either owned by Mobil, leased by Mobil or supplied by Mobil or its distributors, together with all Retail Assets used in the operation of those facilities owned or leased by Mobil; (ii) all light petroleum products storage and distribution terminals owned or leased by Mobil located in the States of California, Arizona and Nevada and all Terminal Assets used in the operation of those terminals; (iii) the Mobil Torrance Refinery Assets as defined in the Consent Agreement; (iv) except as provided in subparagraph II.B.3, all persons employed as of October 1, 1999, in the operation of the service stations described in clause (i) which are operated by Mobil or in the management of Mobil's business relationship with the service stations described in clause (i) which are not operated by Mobil, the terminals described in clause (ii), the Mobil Torrance Refinery Assets described in clause (iii), and all persons covered by the contractual rights and obligations described in clause (v); and (v) all contractual rights and obligations associated with the assets described in clauses (i), (ii) and (iii) above, including, without limitation, real estate and facility leases, franchise agreements, service contracts (both third party and shared service agreements) and exchange agreements.

2. Mobil Alaska Pipeline Company, a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware;
3. Mobil's interest in the Colonial Pipeline Company;
4. Mobil's Guam Fuels Marketing Business, including Mobil Oil Guam, Inc. ("MOGI"), a corporation organized, existing, and doing business under and by virtue of the laws of the Territory of Guam, and the assets located on or used in connection with Mobil's fuels marketing businesses for the Commonwealth of the Northern Mariana Islands and the Federated States of Micronesia (collectively, with the Territory of Guam, the "Guam Area"), all of which more specifically consist of: (i) all Mobil branded operating service station facilities as of October 1, 1999, in the Guam Area, either owned by Mobil, leased by Mobil or supplied by Mobil or its distributors, together with all Retail Assets used in the operation of those facilities owned or leased by Mobil; (ii) all docks, pipelines, petroleum storage and distribution terminals owned or leased by Mobil located in the Guam Area, including Mobil's interest in the terminals, storage and loading facilities, and other assets and structures located on Cabras Island, and all Terminal Assets used in the operation of those terminals; (iii)

except as provided in subparagraph II.B.3, all persons employed as of October 1, 1999, in the operation of the service stations described in clause (i) which are operated by Mobil or in the management of Mobil's business relationship with the service stations described in clause (i) which are not operated by Mobil, and the docks, pipelines and terminal assets described in clause (ii), including, but not limited to, all field marketing personnel and field office support staff and persons covered by the contractual rights and obligations described in clause (iv); and (iv) all contractual rights and obligations associated with the assets described in clauses (i) and (ii) above, including, without limitation, real estate and facility leases, franchise agreements, service contracts (both third party and shared service agreements) and exchange agreements;

5. The Exxon Jet Turbine Oil Business as defined in the Decision & Order contained in the Consent Agreement, and including: (1) the Business Support Coordinator named in Paragraph II. of Appendix A and (2) all other employees listed in the organizational chart attached as Appendix C; provided, however, that the Manager may select, within sixty (60) days of the date this Hold Separate becomes final, any of Exxon's employees, who, within the last two years, have had responsibilities or duties relating to the sales, research, or manufacture of Jet Turbine Oil, as replacements for or in addition to any of the employees listed on the organizational chart.
6. The Existing Business Units, current personnel, Newly-constituted Support Service Units, and newly-created positions, which assist the Manager in managing the Held Separate Business and provide support services (described in Appendix A) within the Held Separate Business, described below:
 - a. The following Existing Business Units of Mobil's North America Marketing & Refining Division:
 - (1) Mobil's existing East/Southwest Inventory - Gasolines Unit;
 - (2) Mobil's existing Fuels Customer Support and Delivery Operations Control Center Units;
 - (3) Mobil's existing Fuels Pricing Unit;
 - (4) Mobil's existing Retail Operations & Information Services Unit;
 - (5) Mobil's existing Point of Sale ("POS") Support Unit;
 - b. The following current personnel, Newly-constituted Support

Service Units, and newly-created positions within the Held Separate Business:

- (1) Personnel from Mobil's existing Business & Performance Analysis Unit as identified in Appendix A;
 - (2) Personnel from Mobil's existing Global Manufacturing Development Unit as identified in Appendix A;
 - (3) A chief financial officer, as identified in Appendix A, to manage the funds described in Paragraph II.B.10., and staffed with the personnel identified in Appendix A;
 - (4) A Marketing Manager as identified in Appendix A;
 - (5) A Distillate Manager as identified in Appendix A;
 - (6) Personnel, as identified in Appendix A, who will provide or arrange for the provision of the following services to the Held Separate Business:
 - (a) Implementation of marketing programs and policies, management of relationships with dealers and jobbers, and development and implementation of local and regional promotional activities based on local market factors;
 - (b) Employee relations services;
 - (c) Legal services;
 - (d) Public relations services;
 - (e) Information systems management;
 - (f) Refined product trading, to the extent not acquired from Respondents or third parties;
 - (g) Authorize and direct maintenance and construction services provided to Retail Sites and terminals within the NBUs;
 - (h) Maintenance and engineering provided in the normal course of business within the Torrance Refinery; and
 - (i) Support of environmental health and personnel safety services at the Torrance Refinery, Retail Sites, and Terminals within the NBUs.
7. Offices located in the Willow Oaks Building, Willow Oaks Corporate Drive, Fairfax, Virginia 22031, consisting of space in that building that, during the Hold Separate Period, will be maintained under separate keyed access for the sole and exclusive use of the Held Separate Business.

Provided, however, that the Held Separate Business need not include those service station facilities that were Mobil branded operating service station facilities as of

October 1, 1999, and would otherwise be included within the Held Separate Business as defined in subparagraphs I.J.1.a.-g. and I.J.4., but that, as of the date Respondents execute the Agreement Containing Consent Orders, have been or are in the process of being terminated by Respondents pursuant to mutual agreement or otherwise in compliance with the Petroleum Marketing Practices Act, 15 U.S.C. § 2801 *et seq.*, with such termination effective on or before December 31, 1999; provided, further, that the Held Separate Business shall include all operating service station facilities that have been approved as Mobil branded operating service stations since October 1, 1999, in the geographic areas described in subparagraphs I.J.1.a. – g. and I.J.4.

- K. "Hold Separate Period" means the time period during which the Hold Separate is in effect, which shall begin no later than ten (10) days after the date the Hold Separate becomes final and terminate pursuant to Paragraph V hereof.
- L. "Material Confidential Information" means competitively sensitive or proprietary information not independently known to an entity from sources other than the entity to which the information pertains, and includes, but is not limited to, all customer lists, price lists, marketing methods, patents, technologies, processes, or other trade secrets.
- M. "Merger" means the proposed merger involving Exxon and Mobil.
- N. "Mobil Torrance Refinery Assets" means Mobil's refinery located at Torrance, California, and all of Mobil's interest in all tangible assets used in the operation of the refinery; all licenses, agreements, contracts, and permits used in the operation of the refinery; the non-exclusive right to use all patents, know-how, and other intellectual property used by Mobil in the operation of the refinery; at the acquirer's option, all contracts, agreements or understandings relating to the transportation, terminaling, storage or sale of the refinery's petroleum product output; at the acquirer's option, all agreements under which Mobil receives crude oil or other inputs at or for the refinery; and, at the acquirer's option, all exchange agreements involving the refinery. "Mobil Torrance Refinery Assets" also includes all plans (including proposed and tentative plans, whether or not adopted), specifications, drawings, and other assets (including the non-exclusive right to use patents, know-how, and other intellectual property, relating to such plans) related to the operation of, and improvements, modifications, or upgrades to, the Torrance refinery. "Mobil Torrance Refinery Assets" also includes, but is not limited to, all of Mobil's interest in the SJV crude pipeline system between Lost Hills, California, and the refinery (M-70); the Southwest Terminal in Los Angeles Harbor (including the dock, tanks, and other facilities located at the terminal); all crude (M-146) and products pipelines running between the Southwest Terminal dock and the refinery; and the products pipeline between the

refinery and Kinder Morgan's Watson Terminal; the Mobil Pacific Pipe Line Company products pipeline between the GATX terminal and the refinery; the jet fuel pipeline between the refinery and Los Angeles International Airport; and Mobil Pacific Pipeline's interest in the THUMS Wilmington Crude Gathering System between the Wilmington Field and the refinery (M-131, M-132, M-142); and the Torrance crude system (M-134, M-135).

- O. "Newly-constituted Support Services Unit" means a business function, staffed with personnel identified in Appendix A and charged with providing or arranging for the provision of support services to the Held Separate Business.
- P. "Retail Assets" means, for each Retail Site, all fee and leasehold interests of Respondents in the Retail Site, and all of Respondents' interest in all assets, tangible or intangible, that are used at that Retail Site, including, but not limited to, all permits, licenses, consents, contracts, and agreements used in the operation of the Retail Site, and the non-exclusive right to use all patents, know-how, and other intellectual property used by Respondents in the operation of the Retail Sites. "Retail Assets" also includes all fee and leasehold interests of Respondents in real property that, as of October 1, 1999, was intended for use as a Retail Site and all permits, licenses, consents, contracts, and agreements intended for use or used with respect to that real property. "Retail Assets" also includes all of Respondents' interest in all assets relating to all ancillary businesses (including, but not limited to, automobile mechanical service, convenience store, restaurant or car wash) located at each Retail Site, including all permits, licenses, consents, contracts, and agreements used in the operation of the ancillary businesses, and the non-exclusive right to use all know-how, patents, and other intellectual property used in the operation of the ancillary businesses. "Retail Assets" also includes all tank trucks and all contracts with all other persons for supplying Branded Fuels to the Retail Sites.
- Q. "Retail Site" means a business establishment within the Held Separate Business from which gasoline is sold to the general public.
- R. "Terminal Assets" means all of Mobil's assets relating to its petroleum storage and distribution terminals, including all assets, tangible and intangible, that are used to operate the terminal for the storage and distribution of petroleum products, including, but not limited to, all real estate, storage tanks, loading and unloading facilities, licenses, permits and contracts pertaining to the terminal facilities, offices, buildings, warehouses, equipment, machinery, fixtures, tools, spare parts, and all other property used in Terminaling; and the non-exclusive right to use all patents, know-how, and other intellectual property used by Mobil in the operation of the terminal.

- S. "Terminaling" means the services performed by a facility that provides temporary storage of gasoline received from a pipeline or marine vessel, and the redelivery of gasoline from storage tanks into tank trucks or transport trailers.

II.

IT IS FURTHER ORDERED that:

- A. During the Hold Separate Period, Respondents shall hold the Held Separate Business separate, apart, and independent as required by this Hold Separate, except to the extent that Respondents must exercise direction and control over the Held Separate Business to assure compliance with this Hold Separate, or with the Decision & Order contained in the Consent Agreement, and except as otherwise provided in this Hold Separate, and shall vest the Held Separate Business with all rights, powers, and authorities necessary to conduct their business. The purpose of this Hold Separate is to: (i) preserve the Held Separate Business, including the Assets to be Divested, as viable, competitive, and ongoing businesses independent of Respondents until the relevant divestitures are achieved; (ii) assure that no Material Confidential Information is exchanged between Respondents and the Held Separate Business, except in accordance with the provisions of this Hold Separate; (iii) prevent interim harm to competition pending the relevant divestitures and other relief; and (iv) help remedy any anticompetitive effects of the proposed Merger.
- B. Respondent shall hold the Held Separate Business separate, apart, and independent on the following terms and conditions:
1. The Commission may appoint a Hold Separate Trustee subject to the consent of Respondents, which consent shall not be unreasonably withheld. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of the Hold Separate Trustee within five (5) days after notice by the staff of the Commission to Respondents of the identity of any Hold Separate Trustee, Respondents shall be deemed to have consented to the selection of the proposed trustee.
 - a. No later than five (5) days after the appointment of the Hold Separate Trustee, Respondents shall enter into an agreement with the Hold Separate Trustee that will, subject to the approval of the Commission, transfer to the Hold Separate Trustee all rights, powers, and authorities necessary to permit the Hold Separate Trustee to perform his/her duties and responsibilities, pursuant to this Order to Hold Separate and Maintain Assets and consistent

with the purposes of the Decision & Order contained in the Consent Agreement. The trustee agreement shall require that thirty (30) days after the Order to Hold Separate and Maintain Assets becomes final, and every thirty (30) days thereafter until the Hold Separate terminates, the Hold Separate Trustee shall report in writing to the Commission concerning the efforts to accomplish the purposes of this Hold Separate. Included within that report shall be the Hold Separate Trustee's assessment of the extent to which the businesses comprising the Held Separate Business are meeting (or exceeding) their projected goals as are reflected in operating plans, budgets, projections or any other regularly prepared financial statements.

- b. No later than five (5) days after the Commission's approval of the agreement between the Hold Separate Trustee and the Respondents, Respondents shall transfer to the Hold Separate Trustee all rights, powers, and authorities necessary to permit the Hold Separate Trustee to perform his/her duties and responsibilities, pursuant to this Order to Hold Separate and Maintain Assets and consistent with the purposes of the Decision & Order contained in the Consent Agreement.
- c. The Hold Separate Trustee shall have the responsibility, consistent with the terms of this Hold Separate and the Decision & Order contained in the Consent Agreement, for monitoring the organization of the Held Separate Business; for managing the Held Separate Business through the Manager; for maintaining the independence of the Held Separate Business; and for assuring Respondents' compliance with their obligations pursuant to this Hold Separate and the Decision & Order contained in the Consent Agreement.
- d. The Hold Separate Trustee shall have full and complete access to all personnel, books, records, documents and facilities of the Held Separate Business or to any other relevant information as the Hold Separate Trustee may reasonably request, including, but not limited to, all documents and records kept in the normal course of business that relate to the Held Separate Business. Respondents shall develop such financial or other information as the Hold Separate Trustee may request and shall cooperate with the Hold Separate Trustee. Respondents shall take no action to interfere with or impede the Hold Separate Trustee's ability to monitor Respondents' compliance with this Hold Separate and the Consent

Agreement or otherwise to perform his/her duties and responsibilities consistent with the terms of this Hold Separate.

- e. The Hold Separate Trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Hold Separate Trustee's duties and responsibilities.
 - f. The Commission may require the Hold Separate Trustee to sign an appropriate confidentiality agreement relating to Commission materials and information received in connection with performance of the Hold Separate Trustee's duties.
 - g. Respondents may require the Hold Separate Trustee to sign a confidentiality agreement prohibiting the disclosure of any Material Confidential Information gained as a result of his or her role as Hold Separate Trustee to anyone other than the Commission.
 - h. If the Hold Separate Trustee ceases to act or fails to act diligently and consistent with the purposes of this Hold Separate, the Commission may appoint a substitute Hold Separate Trustee in the same manner as provided in Paragraph II. of this Hold Separate. In the event a substitute Hold Separate Trustee is appointed, Respondents shall be notified of the name of the substitute Hold Separate Trustee. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed Hold Separate Trustee within ten (10) business days after notice by the Commission to Respondents of the identity of any proposed Hold Separate Trustee, Respondents shall be deemed to have consented to the selection of the proposed Hold Separate Trustee.
2. No later than one (1) day after this Order to Hold Separate and Maintain Assets becomes final, Respondents shall enter into a management agreement with, and transfer all rights, powers, and authorities necessary to manage and maintain the Held Separate Business to, Brian R. Baker, President of Mobil's North America Marketing & Refining Division, the individual Respondents have selected to act as Manager.
- a. In the event that Brian Baker ceases to act as Manager, then Respondents shall select a substitute Manager, subject to the approval of the Hold Separate Trustee, and transfer to the

substitute Manager all rights, powers and authorities necessary to permit the substitute Manager to perform his/her duties and responsibilities, pursuant to this Order to Hold Separate and Maintain Assets.

- b. The Manager shall report directly and exclusively to the Hold Separate Trustee and shall manage the Held Separate Business independently of the management of Respondents. The Manager shall not be involved, in any way, in the operations of the other businesses of Respondents during the term of this Hold Separate.
- c. The Manager shall have no financial interests affected by Respondents' revenues, profits or profit margins, except that the Manager's compensation for managing the Held Separate Business may include economic incentives dependent on the financial performance of the Held Separate Business if there are also sufficient incentives for the Manager to operate the Held Separate Business at no less than current rates of operation (including, but not limited to, current rates of production and sales) and to achieve the objectives of this Hold Separate. For a period of two (2) years beginning after the end of the Hold Separate Period, Respondents shall not retain the services of such former Manager.
- d. The Manager shall make no material changes in the present operation of the Held Separate Business except with the approval of the Hold Separate Trustee.
- e. The Manager shall have the authority, with the approval of the Hold Separate Trustee, to remove persons identified in Appendix A and replace them with others of similar experience or skills. If any person identified in Appendix A ceases to act or fails to act diligently and consistent with the purposes of this Hold Separate, the Manager, in consultation with the Hold Separate Trustee, may request Respondents to, and Respondents shall, appoint a substitute person, which person the Manager shall have the right to approve.
- f. In addition to those employees within the Held Separate Business, the Manager shall employ such employees as are reasonably necessary to assist the Manager in managing the Held Separate Business, including, without limitation, pricing services personnel, employee relations personnel, legal services personnel, public relations personnel, supply personnel, earnings consolidation and analysis personnel, business performance personnel (balanced

scorecard, expense, volume, shared services reporting) customer relations personnel and marketing administration personnel.

g. The Hold Separate Trustee shall be permitted to remove the Manager for cause. Within fifteen (15) days after such removal of the Manager, Respondents shall appoint a replacement Manager, subject to the approval of the Hold Separate Trustee, on the same terms and conditions as provided in subparagraph II.B.2 of this Hold Separate.

3. The Held Separate Business shall be staffed with sufficient employees to maintain the viability and competitiveness of the Held Separate Business. Employees of the Held Separate Business shall include (i) all personnel described in subparagraph I.J.; and (ii) any persons hired from other sources. To the extent that any employees of the Held Separate Business leave or have left the Held Separate Business prior to the divestiture of the Assets to be Divested, the Manager, with the approval of the Hold Separate Trustee, may replace departing or departed employees with persons who have similar experience and expertise or determine not to replace such departing or departed employees.

4. In connection with support services not included within the Held Separate Business:

a. Respondents shall offer and the Held Separate Business shall obtain the following services and products only from Respondents:

- (1) National brand advertising and promotion programs;
- (2) Federal and state regulatory policy development and compliance;
- (3) Human resources administrative services;
- (4) Environmental health and safety services, which develops corporate policies and insures compliance with federal and state regulations and corporate policies;
- (5) Preparation of tax returns; and
- (6) Audit services.

b. Respondents shall offer to the Held Separate Business any services and products that Respondents provide to their other businesses directly or through third party contracts, or that they have provided directly or through third party contracts to the businesses constituting the Held Separate Business at any time since October 1, 1999. The Held Separate Business may, at the option of the

Manager with the approval of the Hold Separate Trustee, obtain such services and products from Respondents. The services and products that Respondents shall offer the Held Separate Business shall include, but shall not be limited to the following:

- (1) Refined fuels product trading and acquisition;
 - (2) Wholesale engineering services, including engineering, design, and maintenance of terminals;
 - (3) Convenience store category management;
 - (4) Development of new POS systems;
 - (5) Credit card processing;
 - (6) Information systems, which constructs, maintains, and supports all SAP and other computer systems;
 - (7) Medical services, including drug testing;
 - (8) Public affairs, which provides media and community relations services;
 - (9) Processing of accounts payable;
 - (10) Security services;
 - (11) Technical support;
 - (12) Financial accounting services;
 - (13) Aviation services;
 - (14) Procurement of refinery supplies for the Mobil Torrance Refinery (e.g. catalysts, chemicals, repair services, maintenance);
 - (15) Procurement of goods and services utilized in the ordinary course of business by the Held Separate Business;
 - (16) Legal services;
 - (17) Service station design, maintenance, and construction;
 - (18) New product development services from Mobil Technical Center;
 - (19) Real estate services, including the identification and development of new sites (to be provided by Trammel Crow under existing contracts); and
 - (20) Any and all services and products relating to and including the distribution and sale of Jet Turbine Oils.
- c. In connection with services and products other than those listed in II.B.4.a., and including but not limited to those listed in II.B. 4.b., the Held Separate Business shall have, at the option of the Manager with the approval of the Hold Separate Trustee, the ability to acquire services and products from third parties unaffiliated with Respondents.

- d. Except as otherwise provided in this Hold Separate, for such services and products provided pursuant to this subparagraph II.B.4., Respondents may charge the Held Separate Business the same amount, if any, charged by Respondents to their other businesses.
 - e. Respondents' personnel supplying services or products to the Held Separate Business pursuant to this subparagraph must retain and maintain any and all Material Confidential Information of the Held Separate Business on a confidential basis. Except as permitted by this Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating or otherwise furnishing Material Confidential Information of the Held Separate Business to or with any person whose employment involves any of Respondents' businesses. Such personnel shall also execute confidentiality agreements prohibiting the disclosure of any Material Confidential Information of the Held Separate Business.
5. Respondents shall cause the Hold Separate Trustee, the Manager, and each employee of the Held Separate Business having access to Material Confidential Information to submit to the Commission a signed statement that the individual will maintain the confidentiality required by the terms and conditions of this Hold Separate. These individuals must retain and maintain all Material Confidential Information relating to the Held Separate Business on a confidential basis and, except as is permitted by this Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any of Respondents' businesses other than the Held Separate Business. These persons shall not be involved in any way in the management, production, distribution, sales, marketing, and financial operations of the competing products of Respondents.
 6. No later than five (5) days after the date this Order to Hold Separate and Maintain Assets becomes final, Respondents shall establish written procedures, subject to the approval of the Hold Separate Trustee, covering the management, maintenance, and independence of the Held Separate Business consistent with the provisions of this Hold Separate.
 7. No later than ten (10) days after the date this Order to Hold Separate and Maintain Assets becomes final, Respondents shall circulate to employees of the Held Separate Business and to Respondents' employees who are responsible for the sale or distribution of motor fuels in the United States,

a notice of this Hold Separate and Consent Agreement, in the form attached as Attachment A.

8. The Hold Separate Trustee and the Manager shall serve, without bond or other security, at the cost and expense of Respondents, on reasonable and customary terms commensurate with the person's experience and responsibilities.
9. Respondents shall indemnify the Hold Separate Trustee and Manager and hold each harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Hold Separate Trustee's or the Manager's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Hold Separate Trustee or the Manager.
10. Respondents shall provide the Held Separate Business with sufficient financial resources:
 - a. as are appropriate in the judgment of the Hold Separate Trustee to operate the Held Separate Business at no less than current rates of operation (including, but not limited to, current rates of refinery production and product sales) and at no less than the rates of operation projected in the business plans of Respondents as of October 1, 1999 (including, but not limited to, the rates of refinery production and product sales projected in such business plans); provided that failure to achieve production or sales goals projected in Respondents' business plans shall not be deemed to be a violation of this Hold Separate,
 - b. to perform all maintenance to, and replacements of, the assets of the Held Separate Business,
 - c. to carry on capital projects and business plans (as reflected in plans dated no later than October 1, 1999) at their scheduled pace, and
 - d. to maintain the viability, competitive vigor, and marketability of the Held Separate Business.
 - e. Such financial resources to be provided to the Held Separate Business shall include, but shall not be limited to, (i) general funds,

(ii) capital, (iii) working capital, and (iv) reimbursement for any operating losses, capital losses, or other losses; provided, however, that, consistent with the purposes of the Decision & Order contained in the Consent Agreement, the Hold Separate Trustee may reduce in scale or pace any capital or research and development project, or substitute any capital or research and development project for another of the same cost.

11. Except as provided in this Order to Hold Separate, Respondents shall not, during the Hold Separate Period, offer employees of the Held Separate Business positions with Exxon Mobil. Each Commission-approved acquirer of Assets to be Divested that are contained within the Held Separate Business shall have the option of offering employment to any employees of those Assets to be Divested, as described by subparagraphs I.J.1.a.- d., I.J.1.f.-g., and I.J.2. - 5, to the extent applicable. Respondents shall not interfere with the employment, by any Commission-approved acquirer of Assets to be Divested, of employees of those Assets to be Divested; shall not offer any incentive to such employees of any Assets to be Divested to decline employment with any Commission-approved acquirer of Assets to be Divested or to accept other employment with the Respondents; and shall remove any impediments that may deter such employees from accepting employment with any Commission-approved acquirer of Assets to be Divested including, but not limited to, any non-compete or confidentiality provisions of employment relating to the Assets to be Divested or other contracts that would affect the ability of such employees to be employed by any acquirer of Assets to be Divested, and the payment, or the transfer for the account of the employee, of all current and accrued bonuses, pensions and other current and accrued benefits to which such employees would otherwise have been entitled had they remained in the employment of the Respondents.
12. For a period of one (1) year commencing on the date each package of Assets to be Divested are divested and assigned, as appropriate, Respondents shall not employ or make offers of employment to employees of the Held Separate Business who have accepted offers of employment with any acquirer unless the individual has been terminated by the acquirer.
13. Notwithstanding the requirements of subparagraph 11, Respondents may offer a bonus or severance to employees included in the Held Separate Business that continue their employment with the Held Separate Business until termination of the Hold Separate Period (in addition to any other bonus or severance to which the employees would otherwise be entitled).

14. Respondents shall not exercise direction or control over, or influence directly or indirectly, the Held Separate Business, the Hold Separate Trustee, the Manager, or any of its operations; provided, however, that Respondents shall exercise such direction and control over the Held Separate Business as is necessary to assure compliance with this Hold Separate, the Consent Agreement, and with all applicable laws, including, in consultation with the Hold Separate Trustee, continued oversight of the Held Separate Business' compliance with policies and standards concerning the safety, health, and environmental aspects of their operations and the integrity of their financial controls; and Respondents shall have the right to defend any legal claims, investigations or enforcement actions threatened or brought against any Held Separate Business.
15. Except for the Manager, employees of the Held Separate Business, and support services employees involved in providing services to the Held Separate Business pursuant to subparagraph II.B.4 and except to the extent provided in subparagraph II.B.14, Respondents shall not permit any other of its employees, officers, or directors to be involved in the operations of the Held Separate Business.
16. Respondents shall maintain the viability, competitiveness, and marketability of the Held Separate Business; shall not sell, transfer, or encumber said assets (other than in the normal course of business or as required to comply with Respondents' obligations under the Consent Agreement); and shall not cause or permit the destruction, removal, wasting, or deterioration, or otherwise impair the viability, competitiveness, or marketability of the Held Separate Business.
17. Respondents shall assure that employees of the Held Separate Business receive, during the Hold Separate Period, their salaries, all current and accrued bonuses, pensions and other current and accrued benefits to which those employees would otherwise have been entitled.
18. Except as required by law, and except to the extent that necessary information is exchanged in the course of consummating the Merger, negotiating agreements to divest assets pursuant to the Consent Agreement and engaging in related due diligence; complying with this Hold Separate or the Consent Agreement; overseeing compliance with policies and standards concerning the safety, health and environmental aspects of the operations of the Held Separate Business and the integrity of the Held Separate Business' financial controls; defending legal claims,

investigations or enforcement actions threatened or brought against the Held Separate Business; or obtaining legal advice, Respondents' employees (excluding support services employees involved in providing support to the Held Separate Business pursuant to subparagraph II.B.4.) shall not receive, or have access to, or use or continue to use any Material Confidential Information, not in the public domain, of the Held Separate Business. Nor shall the Manager or employees of the Held Separate Business receive or have access to, or use or continue to use, any Material Confidential Information not in the public domain about Respondents and relating to Respondents' businesses, except such information as is necessary to maintain and operate the Held Separate Business. Respondents may receive aggregate financial information relating to the Held Separate Business to the extent necessary to allow Respondents to prepare United States consolidated financial reports, tax returns, reports required by securities laws, and personnel reports. Any such information that is obtained pursuant to this subparagraph shall be used only for the purposes set forth in this subparagraph.

19. Respondents and the Held Separate Business shall jointly implement, and at all times during the Hold Separate Period maintain in operation, a system, as approved by the Hold Separate Trustee, of access and data controls for the Computer Networks and Systems to prevent unauthorized access to or dissemination of Material Confidential Information of the Held Separate Business, including, but not limited to, the opportunity by the Hold Separate Trustee, on terms and conditions agreed to with Respondents, to audit Respondents' networks and systems to verify compliance with this Hold Separate.

III.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondents such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of this Hold Separate.

IV.

IT IS FURTHER ORDERED that for the purposes of determining or securing compliance with this Hold Separate, and subject to any legally recognized privilege, and upon written request with reasonable notice to Respondents, Respondents shall permit any duly authorized representatives of the Commission:

- A. Access, during office hours of Respondents and in the presence of counsel, to all facilities, and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and all other records and documents in the possession or under the control of the Respondents relating to compliance with this Hold Separate; and
- B. Upon five (5) days' notice to Respondents and without restraint or interference from Respondents, to interview officers, directors, or employees of Respondents, who may have counsel present, regarding such matters.

V.

IT IS FURTHER ORDERED that this Hold Separate shall terminate at the earlier of:

- A. three (3) business days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34; or
- B. the day after the last of the divestitures required by the Consent Agreement is completed; provided, however, that certain assets controlled by the Held Separate Business shall be released upon the occurrence of the following events:
 - 1. When an Asset to be Divested that is included within the Held Separate Business is divested pursuant to the Consent Agreement, that asset shall cease to be held by the Held Separate Business;
 - 2. When the Exxon Northeast Marketing Assets are divested and Respondents have complied with subparagraphs IV.A., IV.B., IV.C., IV.D., IV.E., and IV.F. of the Decision & Order contained in the Consent Agreement, the Mobil Mid-Atlantic Marketing Assets are divested and Respondents have complied with subparagraphs V.A., V.B., V.C., V.D., V.E., and V.F. of the Decision & Order contained in the Consent Agreement, and the Mobil Texas Marketing assets have been divested and Respondents have complied with subparagraphs VI.A., VI.B., VI.C., VI.D., VI.E., VI.F., VI.G., and VI.H. of the Decision & Order contained in the

Consent Agreement (or if Paragraph XV of the Consent Agreement is invoked, when Respondents have divested the Mobil Northeast Marketing Assets, the Exxon Mid-Atlantic Marketing Assets, or the Exxon Maine-Virginia Assets, as the case may be, and Respondents have complied with the applicable subparagraphs), then the Held Separate Business shall transfer the following assets to Exxon Mobil (to the extent they have not been divested): Assets in the Mobil Texas Fuels Marketing NBU not required to be divested; assets in the Mid-Atlantic Fuels Marketing NBU not required to be divested; the Mobil New England, New York and Florida Fuels Marketing NBUs; and the Existing Business Units, Newly-constituted Support Service Units, and personnel identified in subparagraph I.J.6., except to the extent deemed necessary by the Hold Separate Trustee in accordance with the terms of this Hold Separate to support assets of the Held Separate Business, if any, which have not been divested;

3. When Mobil's interest in the Trans Alaska Pipeline System and either Mobil's interest in Colonial Pipeline or Exxon's interest in the Plantation Pipeline have been divested pursuant to Paragraphs IX and X of the Consent Agreement, then the Held Separate Business shall transfer the following assets to Exxon Mobil: Mobil Alaska Pipeline Company and Mobil's interest in the Colonial Pipeline Company if it has not been divested;
4. When the Exxon California Refining and Marketing Assets have been divested and Respondents have complied with subparagraphs II.A., II.B., II.C., II.D., II.E., II.F., II.G., II.H., and II.I. of the Decision & Order contained in the Consent Agreement, then the Held Separate Business shall transfer the following assets to Exxon Mobil: Mobil's Team Mobil West; and
5. When the Exxon Guam Assets have been divested pursuant to Paragraph III of the Consent Agreement, then the Held Separate Business shall transfer the following assets to Exxon Mobil: Mobil Guam Fuels Marketing Business.

By the Commission.

Donald S. Clark
Secretary

SEAL
ISSUED: