

COPY

ORIGINAL

TEXAS ATTORNEY GENERAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

ENTERED ON DOCKET
U.S. DISTRICT CLERK'S OFFICE

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
DEC 3 1999
NANCY DOHERTY, CLERK
By _____ Deputy

THE STATE OF TEXAS,
Plaintiff,

vs.

EXXON CORPORATION,

and

MOBIL CORPORATION,
Defendants.

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Civil Action No.:

3-99CV2709-L

FINAL CONSENT JUDGMENT

Plaintiff, the State of Texas ("Texas") filed its Complaint herein on November 30, 1999. Defendants Exxon Corporation ("Exxon") and Mobil Corporation ("Mobil") (hereinafter "Defendants") were duly served with copies of the Complaint and have waived service of summons. The State and Defendants, by and through their attorneys, have consented to the entry of this Final Consent Judgment.

Exxon and Mobil have agreed to be bound by the provisions of this Final Consent Judgment and there is no just reason for delay in its entry.

To assure that competition is not substantially lessened, the Defendants have agreed to divest or otherwise cause to be purchased or assigned certain assets and provide for other relief in relevant Texas markets.

DEC 3 1999

Exxon and Mobil have represented to Texas that the divestiture, assignments and adherence to certain terms and conditions required below can and will be made.

NOW, THEREFORE, before any testimony has been taken, without trial or adjudication of any issue of fact or law, and without this Final Consent Judgment constituting any evidence against, or admission by, the parties with respect to any issue of law or fact and upon the agreement of the parties;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

I.

JURISDICTION

This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1337(a) and §§ 15 and 16 of the Clayton Act, as amended, 15 U.S.C. §§ 25 and 26. This Court has jurisdiction of the pendent state claims pursuant to 28 U.S.C. § 1367(a). The Complaint asserts allegations upon which relief may be granted against Exxon and Mobil under Section 7 of the Clayton Act (as amended), 15 U.S.C. § 18 and the Texas Free Enterprise and Antitrust Act of 1983, TEX. BUS. & COM. CODE § 15.01 *et seq.* (“the Texas Antitrust Act”).

II.

DEFINITIONS

As used in this Final Consent Judgment:

1. “Branded Fuels” means motor gasoline or diesel fuel sold at a Retail Site under a brand name owned by Defendants.

2. "Branded Products" means any product other than Branded Fuels that is sold at a Retail Site under a brand name owned by Defendants.
3. "Business Format Franchise" shall have the meaning of "franchise" set forth in 16 C.F.R. § 436.2, excluding franchises granted by Defendants to sell Branded Fuels.
4. "Commission" means the Federal Trade Commission.
5. "Defendants" means Exxon and Mobil, individually and collectively, and the successor corporation (to be known as Exxon Mobil Corporation).
6. "Effective Date of Divestiture" means the date on which the applicable divestiture is consummated.
7. "Existing Lessee Agreements" means all agreements between Defendants and Exxon Lessee Dealers or Mobil Lessee Dealers relating to such Person's right or obligation to sell or resell Branded Fuels using Exxon's brand name or Mobil's brand name at a Retail Site, including, but not limited to, each Branded Fuels dealer lease agreement and dealer sales agreement. "Existing Lessee Agreements" does not include Business Format Franchises.
8. "Existing Supply Agreements" means all agreements between Defendants and Exxon Branded Sellers or Mobil Branded Sellers relating to such Person's right or obligation to sell or resell Branded Fuels using Exxon's brand name or Mobil's brand name at a Retail Site, including, but not limited to, each Branded Fuels supply contract, distributor agreement, dealer agreement, image agreement, amortization agreement, and jobber outlet incentive program contract. "Existing Supply Agreements" does not include Business Format Franchises.
9. "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.
10. "Exxon Branded Seller" means any Person (other than Exxon or Mobil) that has, by virtue of contract or agreement with Exxon in effect as of the Reference Date, the right to sell gasoline using Exxon's brand name at Retail Sites, or to resell gasoline to any such person. "Exxon Branded Seller" includes distributors, jobbers, contract dealers, and open dealers, but does not include Lessee Dealers.

11. "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.
12. "Exxon Texas Marketing Assets" means all Retail Assets in the Texas MSAs that are owned by Exxon or leased by Exxon from another Person as of the Reference Date.
13. "FTC Consent Order" means a valid and final Agreement Containing Consent Orders by and between Exxon and Mobil and the Commission addressing the proposed merger.
14. "Lessee Dealer" means a dealer who operates a Retail Site leased from Defendants under a lease in effect as of the Reference Date.
15. "Merger" means the proposed merger involving Exxon and Mobil.
16. "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.
17. "Mobil Branded Seller" means any Person (other than Exxon or Mobil) that has, by virtue of contract or agreement with Mobil in effect as of the Reference Date, the right to sell gasoline using Mobil's brand name at Retail Sites or to resell gasoline to any such person. "Mobil Branded Seller" includes distributors, jobbers, contract dealers, and open dealers, but excludes Lessee Dealers.
18. "Mobil Texas Marketing Assets" means all Retail Assets owned by Mobil or leased by Mobil in the State of Texas as of the Reference Date. ("Mobil Texas Marketing Assets" does not include any interest of Defendants in Retail Assets owned by TETCO or Petro Stopping Centers Holdings, L.P.).
19. "Mobil's TETCO Interest" means all of Mobil's ownership and/or partnership interest in TETCO as of the Reference Date.
20. "Mobil's TETCO Partners/Members" means TETCO, Inc., TETCO Stores-I, LLC, and Tetco-Nevada, Inc.

21. "Person" means any individual, partnership, association, company or corporation.
22. "Reference Date" means November 30, 1999.
23. "Retail Assets" means, for each Retail Site, all fee and leasehold interests of Defendants in the Retail Site, and all of Defendants' 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 Defendants in the operation of the Retail Sites. "Retail Assets" also includes all fee and leasehold interests of Defendants in real property that as of October 1, 1999 was intended for use by Defendants 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 Defendants' 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, at the acquirer's option, all tank trucks and all contracts with all other Persons for supplying Branded Fuels to the Retail Sites. "Retail Assets" does not include Defendants' proprietary trademarks, trade names, logos, trade dress, identification signs, additized product inventory, petroleum franchise agreements, Business Format Franchise agreements, petroleum product supply agreements, credit card agreements, satellite-based or centralized credit card processing equipment not incorporated in gasoline dispensers, or system-wide software and databases, or, except as provided above, know-how, patents, and other intellectual property. In the event that Defendants are unable to satisfy all conditions necessary to divest any intangible asset, Defendants shall: (1) with respect to permits, licenses or other rights granted by governmental authorities (other than patents), provide such assistance as the acquirer may reasonably request in the acquirer's efforts to obtain comparable permits, licenses or rights, and (2) with respect to other intangible assets (other than patents), substitute equivalent assets, subject to approval of Texas. A substituted asset will not be deemed to be equivalent unless it enables the Retail Site to perform the same function at the same or less cost.
24. "Retail Site" means a business establishment from which gasoline is sold to the general public.

25. "State of Texas" or "Texas" means the State of Texas, acting by and through its Attorney General.
26. "Texas MSAs" means the Austin, Bryan/College Station, and San Antonio MSAs, and the Dallas and Houston PMSAs, as defined by the Census Bureau as of September 30, 1999.
27. "TETCO" means TETCO Stores LP and/or TETCO Stores-I LLC.

III.

APPLICABILITY

1. This Final Consent Judgment shall apply to Exxon, Mobil and Exxon Mobil and their successors and assigns, subsidiaries, affiliates, directors, officers, managers, employees, agents, representatives, and all other persons in active concert or participation with any of them who receive actual notice of this Final Consent Judgment by personal service or otherwise.
2. Nothing contained in this Final Consent Judgment is or has been created for the benefit of any third party, and nothing herein shall be construed to provide any rights to any third party.

IV.

DIVESTITURE AND ASSIGNMENT OF ASSETS

1. Defendants shall divest the Mobil Texas Marketing Assets to a single acquirer, absolutely and in good faith and at no minimum price, within nine (9) months from the Reference Date.
2. Defendants shall divest the Mobil Texas Marketing Assets only to:
 - (1) 7-Eleven, Inc., formerly known as Southland Corporation, or
 - (2) an acquirer that receives the prior approval of Texas,and, as to either acquirer, only in a manner that receives the prior approval of the Texas.
3. Defendants shall divest Mobil's TETCO Interest to an acquirer absolutely and in good faith and at no minimum price, within nine (9) months from the Reference Date.

4. Defendants shall divest Mobil's TETCO Interest only to:

- (1) Mobil's TETCO Partners/Members or
- (2) an acquirer that receives the prior approval of Texas,

and, as to either acquirer, only in a manner that receives the prior approval of Texas.

5. Defendants shall, within nine (9) months from the Reference Date, assign to a single person in each of the Texas MSAs (each of whom shall be a "Mobil Texas Assignee") that receives the prior approval of Texas, all Existing Supply Agreements between Mobil and Mobil Branded Sellers in effect as of the date of the assignment with respect to Retail Sites in the applicable Texas MSA.

6. Defendants shall enter into agreements with each Mobil Texas Assignee, which shall be effective upon the effective date of the assignments pursuant to subparagraph IV.E., pursuant to which each Mobil Texas Assignee will receive, for a period of ten (10) years from the effective date of the assignment to the Mobil Texas Assignee(s), in the pertinent Texas MSA (or MSAs): (1) the exclusive right to sell Branded Fuels under the Mobil brand, except as permitted by paragraphs IV.I. and IV.J., and (2) the exclusive right to use Mobil's brand name, including the exclusive right to use Mobil's identification signs, trademarks, and other trade indicia, and the non-exclusive right to accept and process Mobil credit cards in connection with such sales of Branded Fuels under the Mobil brand. Such agreement shall provide for provision of credit card services, additive, and such brand support as the acquirer may choose to purchase and may provide for payments covering Defendants' costs for the provision of credit card services, additive, and such brand support as the acquirer may choose to purchase. The agreement shall not provide for any payment by the acquirer to Defendants for the use of the brand name for the first five years of the agreement, but may provide for additional payments, beginning five (5) years after the effective date of the assignment to the Mobil Texas Assignee(s) and escalating each year until the end of the ten (10) year term, by the assignee to Defendants for the use of Mobil's identification signs, trademarks, and other trade indicia. Acquirer's payments for credit card services, additive and the use of Mobil's brand, but not including such other brand support as acquirer may choose to purchase, shall not exceed 2.5 cents per gallon, except that the agreement may provide for an annual minimum payment to which Defendants and the assignee agree. At the end of the ninth year after the effective date of the assignment to the Mobil Texas Assignee(s), Defendants shall offer to meet with the assignee to discuss a renewal of the agreement.

7. Upon the effective date of the assignment to the Mobil Texas Assignee(s), Defendants shall allow the assignee the non-exclusive right to sell other Mobil Branded Products (e.g., motor oil) at the acquirer's Mobil branded Retail Sites in the pertinent Mobil Texas MSA (or

MSAs). The assignee's access to all such other products or services acquired from Defendants for resale at such Retail Sites shall be on commercial, arm's length terms no less favorable than those given by Defendants to other wholesale purchasers. Upon the effective date of the assignment to the Mobil Texas Assignee(s), Defendants shall allow a Mobil Branded Seller or Mobil Lessee Dealer that was Mobil's franchisee with respect to a Business Format Franchise as of the effective date of the assignment to the Mobil Texas Assignee(s) to continue as Defendants' franchisee with respect to such Business Format Franchise. Defendants shall not object to an assumption by the acquirer of Defendants' obligations as Business Format Franchisee, subject to any applicable approvals required of the Business Format Franchisor.

8. Defendants shall offer each Mobil Texas Assignee an indemnity, to be effective upon the effective date of the pertinent assignment, which indemnity shall allocate among Defendants and the assignee, on such terms as the Defendants and the assignee agree, responsibility with respect to potential claims and liabilities arising out of failure to comply with local, state, and federal environmental obligations in connection with the Retail Sites that are assigned to the assignee pursuant to subparagraph IV.E.
9. Defendants shall not, except as requested by the Mobil Texas Assignee(s) in a Texas MSA, (1) sell or attempt to sell, for twelve (12) years from the effective date of the assignment to the Mobil Texas Assignee(s) in that MSA, Branded Fuels under the Mobil brand for sale or resale at Retail Sites in the Texas MSAs; provided, however, that Defendants may sell to each Mobil Texas Assignee quantities of Branded Fuels equal to quantities of unadditized gasoline sold to Defendants by the assignee for purposes of adding Mobil's proprietary additive and making the gasoline salable by assignee as Mobil Branded Fuels, or (2) sell or attempt to sell, for seven (7) years from the effective date of the assignment to the Mobil Texas Assignee(s), Branded Fuels under the Exxon brand to any Mobil Branded Seller or Lessee Dealer for resale at Retail Sites in the Texas MSAs that sold Mobil Branded Fuels as of the Reference Date. This subparagraph shall not prohibit sales, solicitations, discussions or negotiations involving brands other than the Mobil brand with respect to Retail Sites in a Texas MSA that were not Mobil branded Retail Sites as of the Reference Date.
10. Notwithstanding the provisions of subparagraph IV.F. and IV.I., in the event that the Mobil Texas Assignee(s) ceases to use the Mobil brand in any of the Texas MSAs pursuant to the agreement conveying the right to use the brand described in subparagraph IV.F, Defendants shall have the right to use the brand in that MSA beginning two (2) years after the Mobil Texas Assignee(s) ceases to use the brand in that MSA, but in no event prior to five (5) years after the effective date of the assignment.

11. Until the Effective Date of Divestitures of the Mobil Texas Marketing Assets and Mobil's TETCO Interest, Defendants shall take such actions as are necessary to maintain the viability and marketability of the respective assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the respective assets, except for ordinary wear and tear, including, but not limited to, continuing in effect and maintaining all proprietary trademarks, trade names, logos, trade dress, identification signs owned by Mobil, Business Format Franchise agreements, and renewing or extending any base leases or ground leases that expire or terminate prior to the Effective Date of Divestiture of the Mobil Texas Marketing Assets. Until the assignments of Existing Supply Agreements provided by subparagraph IV.E. occur, Defendants shall not attempt in any way to encourage any Mobil Branded Seller to terminate, nor shall Defendants terminate (except for reasons set out in § 2802(c) of the Petroleum Marketing Practices Act, 15 U.S.C. § 2802(c)), an Existing Supply Agreement with respect to a Retail Site in the Texas MSAs, and Defendants shall continue in effect all programs and other business practices aimed at maintaining existing relationships with Mobil Branded Sellers with respect to Retail Sites in the Texas MSAs and shall otherwise seek to preserve such relationships as diligently as was done prior to the Reference Date.

12. Texas's decision to approve or disapprove a proposed divestiture/assignment and acquirer/assignee shall be based only upon the following criteria:
 - (1) whether the acquirer has the managerial, operational and financial capability to compete effectively as a viable, ongoing seller of gasoline at the wholesale and retail level,
 - (2) whether the acquirer intends to use the assets to be divested and/or assigned for the purpose of competing effectively in the wholesale and retail gasoline markets in the Texas MSAs now served by Mobil; and
 - (3) whether the acquisition of the divested and/or assigned assets will adversely effect competition.

Defendants, in their notification pursuant to Paragraph VI or otherwise, shall establish to the satisfaction of Texas that a proposed divestiture/assignment and acquirer/assignee satisfy the criteria set forth above.

13. For a period of ten years from the date of the latter of the divestitures herein required, Defendants shall not, without sixty (60) day prior written notice to Texas, directly or indirectly, through subsidiaries, partnerships or otherwise:

- (1) Reacquire any ownership interest, controlling or otherwise, in the Mobil Texas Marketing Assets; or
- (2) Reacquire any ownership interest, controlling or otherwise, in TETCO, its subsidiaries, partnerships, joint ventures or successors; or
- (3) Reacquire any ownership interest, controlling or otherwise, in any Retail Sites in the Texas MSAs owned by TETCO, its subsidiaries, partnerships, joint ventures or successors, as of the Effective Date of Divestiture of Mobil's TETCO Interest.

If, within sixty (60) days of receipt by Texas of such notice, Texas makes a reasonable written request to Defendants for material additional information or documentary material, Defendants shall not consummate the transaction until twenty (20) days after submitting such additional information or documentary material.

14. Defendants shall permit bona fide prospective purchasers to have reasonable access to all Mobil's personnel, physical facilities, and any and all financial, operational or other documents and information relating to the assets to be divested or assigned customarily provided as part of a due diligence process.
15. The purpose of the divestiture of the Mobil Texas Marketing Assets and Mobil's TETCO Interest, the assignment of the Existing Supply Agreements, and of the other provisions of this Paragraph is to ensure the continued use of the assets comprising Mobil's marketing business in the Texas MSAs as viable, on-going businesses, in the same businesses in which they were engaged at the time of the announcement of the proposed Merger, and to remedy the lessening of competition in the wholesale and retail sale of gasoline in the Texas MSAs resulting from the proposed Merger, as alleged in Texas's Complaint.

V.

FAILURE TO TIMELY DIVEST & APPOINTMENT OF TRUSTEE

1. If Defendants have not divested or assigned the assets required to be divested or assigned pursuant to Paragraph IV absolutely and in good faith and with the prior approval of Texas as indicated herein, within the time period required, Texas, in consultation with the Commission, may apply to the Court to appoint a trustee or trustees to effectuate the divestiture, assign all agreements, and effectuate all other provisions of the applicable paragraph or paragraphs; provided, however, that the trustee may, subject to the approval of Texas, substitute the Exxon Texas Marketing Assets, and the applicable brand name, for the Mobil Texas Marketing Assets.

Provided, further, however, that if within the applicable time period Defendants have divested and assigned rights with respect to at least 95% of the Retail Sites as to which divestiture or assignment is required in the Texas MSAs and Defendants have been enjoined by any court from divesting or assigning, or have been prevented from divesting or assigning despite attempting in good faith to complete such divestitures or assignments, the remaining 5% of the Retail Sites required to be divested and assigned, Defendants shall have an additional six (6) months to complete the required divestitures and assignments and Defendants' failure to have completed the divestitures and assignments with respect to the remaining Retail Sites shall not constitute non-compliance for purposes of this Final Consent Judgment until the expiration of the additional six (6) month period. If Defendants have not divested the remaining assets or assigned the applicable Existing Lessee Agreements or Existing Supply Agreements by the end of the extended period, Texas may apply to the Court to appoint a person or persons to act as trustee (or trustees) pursuant to this paragraph to divest those remaining assets but not the substitute assets described above in this subparagraph.

2. In the event that an action is brought by Texas pursuant to this Final Consent Judgment, Defendants shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this Paragraph V shall preclude Texas from seeking civil penalties or any other relief available to it, including a court-appointed trustee, for any failure by the Defendants to comply with this Final Consent Judgment.
3. If a trustee is appointed by the Court pursuant to this Paragraph V, Defendants shall consent to the following terms and conditions regarding the trustee's powers, duties, authority, and responsibilities:
 - (1) Subject to the approval of this Court, Texas shall select, in consultation with the Commission, a person or persons as trustee, subject to the consent of Defendants, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Defendants have not opposed in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) days after notice by Texas to Defendants of the identity of any proposed trustee, Defendants shall be deemed to have consented to the selection of the proposed trustee.
 - (2) Subject to the prior approval of Texas, the trustee shall have the exclusive power and authority to divest the assets to be divested, assign the agreements required to be assigned, and enter into the required agreements, thereby binding Defendants, all on

such terms and conditions as are necessary to comply with the requirements of the applicable paragraph, to comply with all applicable laws, and to effectuate the remedial purposes of this Final Consent Judgment.

- (3) Within ten (10) days after appointment of the trustee, Defendants shall execute a trust agreement that, subject to the prior approval of Texas, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestitures and assignments required by this Final Consent Judgment.
- (4) The trustee shall have twelve (12) months from the date Texas approves the trust agreement described in Paragraph V.C.3. to accomplish the divestitures and assignments, which shall be subject to the prior approval of Texas. If, however, at the end of the twelve-month period, the trustee has submitted a plan of divestiture or believes that divestiture or assignment can be achieved within a reasonable time, the divestiture period may be extended by Texas.
- (5) The trustee shall have full and complete access to the personnel, books, records and facilities related to the assets to be divested or assigned or to any other relevant information, as the trustee may request. Defendants shall develop such financial or other information as such trustee may request and shall cooperate with the trustee. Defendants shall take no action to interfere with or impede the trustee's accomplishment of the divestitures and assignments. Any delays in divestiture or assignment caused by Defendants shall extend the time for divestiture or assignment under this Paragraph in an amount equal to the delay, as determined by Texas.
- (6) The trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to Texas for approval, subject to Defendants' absolute and unconditional obligation to divest expeditiously at no minimum price. The divestitures and assignments shall be made in the manner and to the acquirer or acquirers as approved by Texas; provided, however, if the trustee receives bona fide offers from more than one acquiring entity, and if Texas determines to approve more than one such acquiring entity, the trustee shall divest to the acquiring entity or entities selected by Defendants from among those approved by Texas, provided further, however, that Defendants shall select such entity within five (5) days of receiving notification of Texas's approval.
- (7) The trustee shall serve, without bond or other security, at the cost and expense of Defendants, on such reasonable and customary terms and conditions as Texas may set. The trustee shall have the authority to employ, at the cost and expense of Defendants, such consultants, accountants, attorneys, investment bankers, business

brokers, appraisers, and other representatives and assistants as are necessary to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestitures and assignments and all expenses incurred. After approval by Texas of the account of the trustee, including fees for his or her services, all remaining monies shall be paid at the direction of the Defendants, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on an arrangement contingent on the trustee's divesting/assigning the assets to be divested/assigned.

- (8) Defendants shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee'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 trustee.
- (9) If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Paragraph V.A. of this Final Consent Judgment.
- (10) Texas may, on its own initiative or at the request of the trustee, request that the Court issue such additional orders as may be necessary or appropriate to accomplish the divestitures and assignments required by this Final Consent Judgment.
- (11) The trustee shall have no obligation or authority to operate or maintain the assets to be divested or assigned.
- (12) The trustee shall report in writing to Defendants and Texas every sixty (60) days concerning the trustee's efforts to accomplish the divestitures and assignments.

VI.

NOTIFICATION OF PROPOSED DIVESTITURE

- A. Within five (5) business days following execution of a letter of intent or definitive agreement for sale of the Mobil Texas Marketing Assets, Mobil's TETCO interest, or for the assignment of the Existing Supply Agreements within the Texas MSAs, Defendants or the trustee, whichever is then responsible for effecting the divestitures and assignments required herein, shall notify Texas of any proposed divestiture or assignment.

- B. If the trustee is responsible, he or she shall likewise notify Defendants. The notice shall set forth the details of the proposed transaction and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the divestiture assets, together with full details of the same.
- C. Within fifteen (15) days after receipt of the notice, Texas may request additional information concerning the proposed divestiture or assignment, the proposed acquirer or assignee, and any other potential acquirer or assignee. Exxon Mobil or the trustee shall furnish the additional information within fifteen (15) days of the receipt of the request. Within thirty (30) days after receipt of the notice or within fifteen (15) days after receipt of the additional information, whichever is later, Texas shall notify in writing Defendants and the trustee, if there is one, if it objects to the proposed divestiture or assignment and set forth the reasons for such objection. If Texas fails to object within the period specified, or if Texas notifies Defendants and the trustee, if there is one, in writing, that it does not object, then the divestiture or assignment may be consummated. Upon objection by Texas, or by Defendants in the case of a divestiture or assignment proposed by the trustee, the proposed divestiture or assignment shall not be accomplished unless approved by the Court.

VII.

COMPLIANCE REPORTS

1. Within sixty (60) days after the date this Final Consent Judgment becomes final and every sixty (60) days thereafter until Defendants have fully complied with the provisions of Paragraph IV of this Final Consent Judgment, Defendants shall submit to Texas a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with this Paragraph. Defendants shall include in their compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with these Paragraphs, including a description of all substantive contacts or negotiations for the divestitures and assignments and the identity of all parties contacted. Defendants shall include in their compliance reports copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning divestiture and assignment.
2. Defendants shall provide Texas with an annual verified report, detailing the manner in which they have complied and are complying with the provisions of this Final Consent Judgment. Said annual report shall be due at the same time similar verified reports are filed with the Commission, or if such reports are not filed with the Commission, then on the anniversary of the signing of this Final Consent Judgment.

VIII.

ATTORNEYS' FEES AND INVESTIGATIVE COSTS

- A. Defendants shall pay the sum of \$235,800 to the Office of the Texas Attorney General for its investigative costs and attorneys' fees within ten (10) business days of the entry of this Final Consent Judgment.
- B. Defendants shall take nothing for costs and attorneys' fees.

IX.

HOLD SEPARATE AGREEMENT

Until the divestitures and assignments have been accomplished, Defendants shall comply with all the terms of the Commission's Order to Hold Separate ("the Hold Separate"), which is attached hereto and made a part hereof as Appendix A, applicable to the Texas Fuels Marketing NBU as defined therein.

X.

NOTIFICATION OF CORPORATE CHANGES

Defendants shall notify Texas at least thirty (30) days prior to any proposed change in the corporate Defendants 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 the Final Consent Judgment.

XI.

COMPLIANCE INSPECTION

For the purpose of determining or securing compliance with this Final Consent Judgment and subject to any legally recognized privilege, and upon written request with reasonable notice to Defendants, Defendants shall permit any duly authorized representative of Texas:

- 1. Access, during office hours and in the presence of counsel, to all facilities to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents

in the possession or under the control of each Defendant relating to any matters contained in this Final Consent Judgment; and

2. Upon five days' notice to each Defendant and without restraint or interference from it, to interview officers, directors, or employees of Defendant, who may have counsel present, regarding any such matters.
3. No information nor any documents obtained by the means provided herein shall be divulged by any representative of Texas to any person other than a duly authorized representative of the Attorneys General of Texas except in the course of legal proceedings to which both Defendants and Texas are parties or law enforcement actions to which Texas is a party, or for the purpose of securing compliance with this Final Consent Judgment, or as otherwise required by law.
4. If at the time information or documents are furnished by Defendants to Texas, Defendants represent and identify in writing the portions of any such information or documents for which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such documents, "Confidential" or "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then Texas shall give ten (10) days' notice to the marking Defendant prior to divulging such material in any legal proceeding, except in proceedings to enforce compliance with this Final Consent Judgment, in which case the documents shall be filed under seal.

XII.

EXTENSION DUE TO COMMISSION ACTION

1. In the event that (1) Defendants enter into the FTC Consent Order; (2) Defendants, within the time period required under this Final Consent Judgment, have submitted a complete application for approval of a divestiture or assignment; (3) Texas has approved the divestiture or assignment and has not withdrawn its approval; (4) the Defendants have submitted a timely and complete application for approval of the divestiture or assignment to the Commission; but (5) the Commission has failed or refused to approve the proposed divestiture or assignment, then the time in which the divestiture or assignment shall be completed shall be extended (a) for ninety (90) days or (b) until the Commission has made a determination pertaining to the proposed divestiture or other relief, whichever is later. During such period of extension, the Defendants shall exercise the utmost good faith and best efforts to resolve the concerns of the Commission.

2. Any failure to divest or assign as a result of the Commission's failure to approve an application for divestiture or assignment shall not violate this Final Consent Judgment.

XIII.

NOTICES

Any notices required by the Final Consent Judgment shall be delivered to the parties at the following addresses:

1. For Defendants: General Counsel, Exxon Corporation, 5959 Las Colinas Boulevard, Irving, Texas 75039; and General Counsel, Mobil Corporation, 3225 Gallows Road, Fairfax, Virginia 22037;
2. For the State of Texas: Antitrust Section, Consumer Protection Division, Office of the Texas Attorney General, P.O. Box 12548, Austin, Texas 78711-2548.

XIV.

MISCELLANEOUS

1. When final, this Final Consent Judgment shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by federal Court rules for other orders and judgments. Defendants may be liable for civil penalties in the amount provided by law for each violation of this Final Consent Judgment after it becomes final.
2. By signing this Final Consent Judgment, Defendants represent and warrant that they can accomplish the full relief contemplated by Final Consent Judgment, including effectuating all required divestitures, assignments, and transfers and obtaining all necessary third-party approvals to effectuate the divestitures, assignments and transfers, and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Final Consent Judgment are parties to the Final Consent Judgment and are bound thereby as if they had signed this Final Consent Judgment and were made parties to this proceeding and to the Final Consent Judgment.

XV.

STATUTORY LIEN

The statutory lien pursuant to Article 1302-5.08 of the Texas Revised Civil Statutes on all property of Defendants is dissolved.

XVI.

JURISDICTION RETAINED

Jurisdiction is retained by this Court for the purpose of enabling any party to this Final Consent Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the enforcement of this Final Consent Judgment and the enforcement of any of the provisions contained herein. This Court shall have the authority to specifically enforce the provisions of this Final Consent Judgment.

XVII.

TERMINATION

IT IS FURTHER ORDERED that this Final Consent Judgment will terminate thirteen (13) years from the date of its issuance.


XVIII.

PUBLIC INTEREST

Entry of the Final Consent Judgment is in the public interest.

All orders and relief not expressly granted herein are denied.

SIGNED this 3rd day of December, 1999.


PRESIDING JUDGE

APPROVED AS TO FORM AND
SUBSTANCE AND ENTRY REQUESTED:

JOHN CORNYN
Attorney General of Texas

ANDY TAYLOR
First Assistant Attorney General

LINDA S. EADS
Deputy Attorney General for Litigation

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Assistant Attorney General
Chief, Consumer Protection Division

by Mark
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BECK, REDDEN & SECREST
*Attorneys for Defendants Exxon Corporation
and Mobil Corporation*

By: _____

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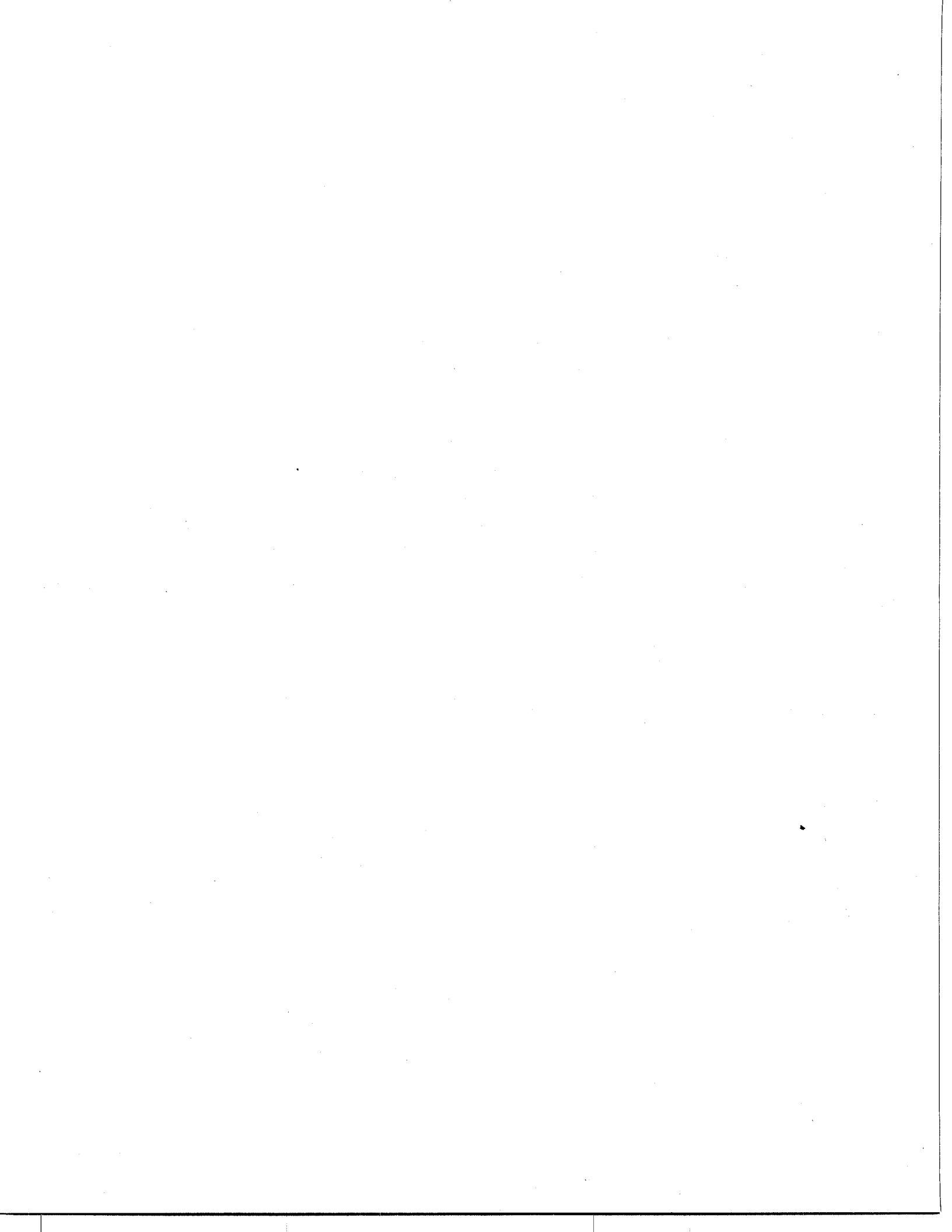
OF COUNSEL:

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972/444-1440

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Counsel for Mobil Corporation



**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:

1. "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.
2. "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.
3. "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.
4. "Respondents" means Exxon and Mobil, individually and collectively, and the successor corporation.

5. "Commission" means the Federal Trade Commission.
6. "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.
7. "Branded Fuels" means motor gasoline or diesel fuel sold at a Retail Site under a brand name owned by Respondents.
8. "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.
9. "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.
10. "Held Separate Business" means:
 1. The following Mobil "Natural Business Units" ("NBUs") and "Integrated Business Unit" ("IBU"):
 1. 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;

2. 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;

3. 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;

4. 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;
5. 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;

6. 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

7. 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:
 1. 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;

2. 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:

- (1) 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;
- (2) Employee relations services;
- (3) Legal services;
- (4) Public relations services;
- (5) Information systems management;
- (6) Refined product trading, to the extent not acquired from Respondents or third parties;
- (7) Authorize and direct maintenance and construction services provided to Retail Sites and terminals within the NBUs;
- (8) Maintenance and engineering provided in the normal course of business within the Torrance Refinery; and
- (9) 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.

11. "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.
12. "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.
13. "Merger" means the proposed merger involving Exxon and Mobil.
14. "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).

15. "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.
16. "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.
17. "Retail Site" means a business establishment within the Held Separate Business from which gasoline is sold to the general public.
18. "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.

19. "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:

20. 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.
21. 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.
 1. 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.

2. 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.
3. 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.
4. 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.

5. 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.
 6. 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.
 7. 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.
 8. 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.
 1. 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.

2. 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.
3. 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.
4. 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.
5. 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.
6. 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.

7. 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:
 1. 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.
 2. 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.
3. 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.

4. 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.
5. 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:
 1. 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,
 2. to perform all maintenance to, and replacements of, the assets of the Held Separate Business,
 3. to carry on capital projects and business plans (as reflected in plans dated no later than October 1, 1999) at their scheduled pace, and
 4. to maintain the viability, competitive vigor, and marketability of the Held Separate Business.

5. 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:

1. 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
2. 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:

3. 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
4. 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;
 4. 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;

5. 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;
6. 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
7. 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:

APPENDIX A

- I. The included support services required by Paragraph I.J.6 of this Hold Separate shall be provided to the Held Separate Business by support services units and personnel who have been selected or approved by the Manager, including those described and identified below:
- A. Mobil's East/Southwest Inventory - Gasolines Unit, which will (1) schedule and monitor fuels product deliveries to terminals within the NBUs and notify traders of any product acquisition needs beyond existing supply and exchange agreements (Respondents will use existing price formulas set forth in Appendix B (Confidential) to charge the Held Separate Business for any product deliveries the Held Separate Business may in its discretion request from Respondents), and (2) monitor and implement existing fuels product exchange agreements and enter into any new exchange agreements required by the Held Separate Business;
 - B. Mobil's existing Fuels Customer Support and Fuels Delivery Operations Control Center Units, which are located at the Malvern Corporate and Administrative Center, which will receive and process customer orders for Branded Fuels products, schedule trucks and deliveries to Retail Sites within the NBUs, and provide customer billing, collections and other customer services to the NBUs; it also will supply such services under contract to the Mobil's Midwest NBU (which is not part of the Held Separate Business);
 - C. Mobil's existing Fuels Pricing Unit, which will collect pricing data and recommend prices to the NBUs, subject to review by the Manager, with the exception of the personnel who are responsible for pricing fuels products for Mobil's Midwest NBU;
 - D. Mobil's existing Retail Operations & Information Services Unit, which will handle administration and retail accounting for company operated Retail Sites within the NBUs; it also will supply such services under contract to Mobil's Midwest NBU (which is not part of the Held Separate Business);
 - E. Mobil's existing Point of Sale ("POS") Support Unit, which will provide technology support services maintenance of POS and Speedpass systems; it will also supply such services under contract to the Mobil's Midwest NBU (which is not part of the Held Separate Business);
 - F. The following personnel from Mobil's existing Business & Performance Analysis Unit, who will provide competitive and financial performance analysis, support, and strategic planning for the Held Separate Business (e.g., balanced scorecards,

volume, and shared services reporting) and to monitor the funds as described in Paragraph II.B.10 of the Hold Separate:

- Manager Business Performance/Analysis/CFO
 - Earnings Consolidation
 - Analysis/Planning
 - Capital/Cash Management
 - Expense Analysis
 - Volume Analysis
 - Balanced Scorecard
 - Shared Service Monitoring
 - Industry Analysis
- K. Campbell
J. O'Neill
J. Cashion
D. Monaghan
W. Fine
D. Hightower
R. Long
P. Greco
J. Wadley;

G. The following person from Mobil's existing Global Manufacturing Development unit, who will conduct periodic review and analysis of Torrance Refinery operations data to optimize output:

- Manufacturing Manager
- A. Johnson;

H. Marketing Manager

A. Spiess

The Marketing Manager of the Held Separate Business will monitor the performance of outsourced contractors providing: (1) Operations Management for Convenience Stores, a service which is provided by a third party (Strasburger) under existing contracts; (2) Supplies and Inventory Management for convenience stores, which will be provided by a third party (McLane) under an existing contract; and (3) credit card processing, which is provided by a third party (First Data) under existing contracts; these third-party service providers will also be permitted to continue supplying similar services to Mobil's Midwest NBU (which is not part of the Held Separate Business) under the separate direction of Respondents' personnel. In addition, the Marketing Manager will provide guidance and direction to the following personnel in the Held Separate Business, who will provide or arrange for the provision of services to those businesses in connection with the 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:

- Customer Relations
 - Retail Dealer Coordination
 - Distributor Coordination
- O. Williams
R. Gavlick
S. Lucas

- Advertising/Programs C. Colvett
- Fuels Customer Support J. Bernard
- Real Estate Coordination D. Diccico
- Salary Field Operations K. Kane
(Strasburger Employee)

I. Distillate Manager K. Weir

The Distillate Manager will provide guidance and support directly and through other personnel for the sales and distribution of Mobil's branded and unbranded distillate products within the geographic areas covered by the Held Separate Business.

J. The Held Separate Business will also include the following personnel who will provide or arrange for the provision of the following services to those businesses:

Employee relations services:

- Employee/Industrial Relations Manager R. Amrhein

Legal services:

- Managing Counsel D. Rogers

Public relations services:

- Public Affairs Manager B. Eaton

Information systems management:

- Systems Liaison P. President

Refined product trading, to the extent not acquired from Respondents or third parties:

- Product Trader C. Das

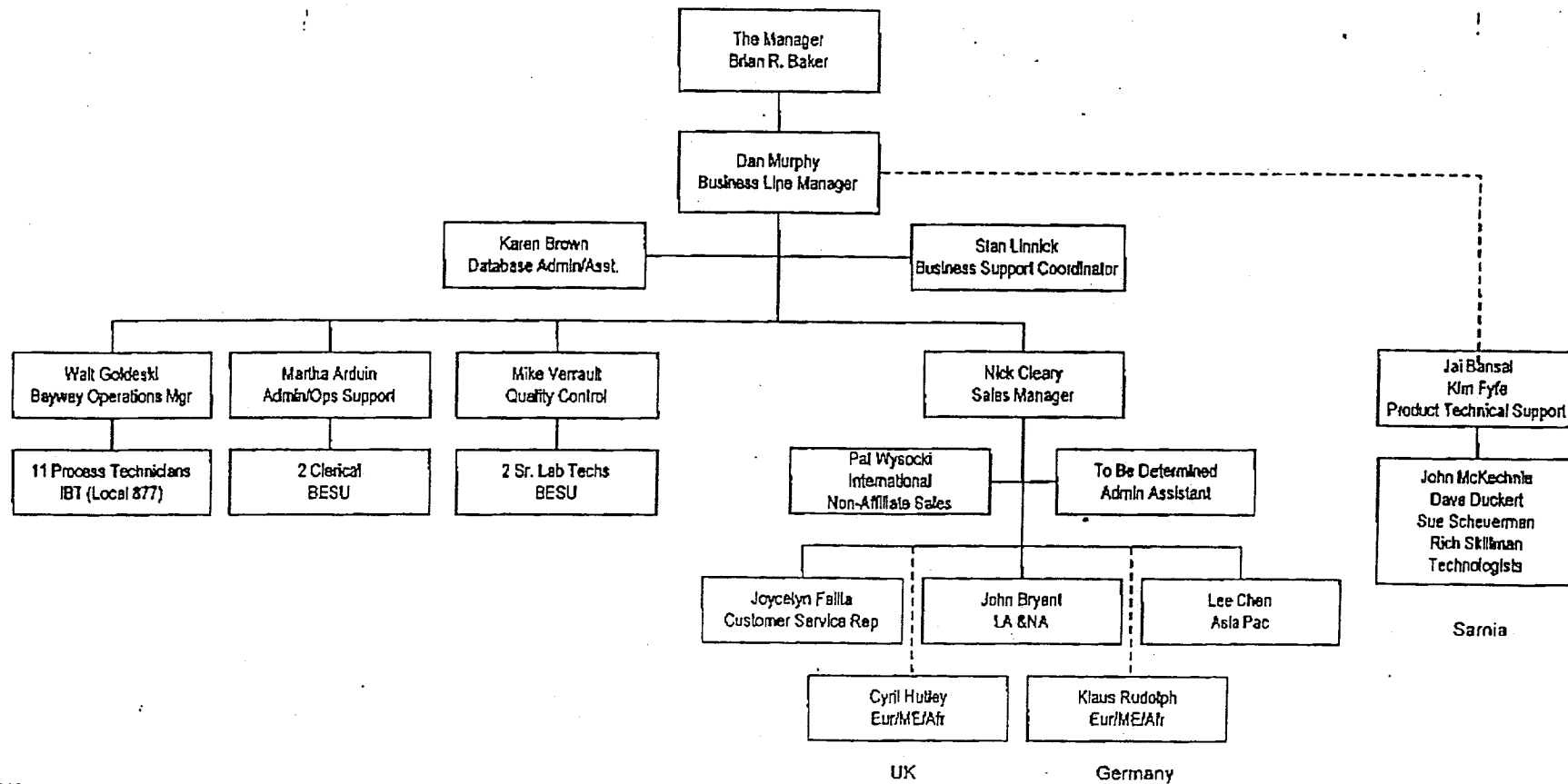
Authorize and direct maintenance and construction services provided to Retail Sites and terminals within the NBUs:

- Engineering/Maintenance Coordination L. Wyte

II The Business Support Coordinator for the Exxon Jet Turbine Oil Business to be held separate described in subparagraph I.B.5. will be Stan Linnick.

APPENDIX C
ORGANIZATIONAL CHART

Exxon Synthetic Aviation Turbine Oil
Hold-Separate Organization



Key

IBT - International Brotherhood of Teamsters

BESU - Bayway Employee Salary Union

ATTACHMENT A

NOTICE OF DIVESTITURE AND REQUIREMENT FOR CONFIDENTIALITY

Exxon Corporation ("Exxon") and Mobil Corporation ("Mobil"), hereinafter referred to as Respondents (which includes the entity resulting from the merger of Exxon and Mobil), have entered into an Agreement Containing Consent Orders ("Consent Agreement") with the Federal Trade Commission relating to the divestiture of certain assets and other relief.

As used herein, the term "Held Separate Business" means the businesses and personnel as defined in Paragraph I.J. of the Order to Hold Separate and Maintain Assets contained in the Consent Agreement. Under the terms of the Decision & Order contained in the Consent Agreement, Exxon and Mobil must divest certain packages of assets, some of which are included within the Held Separate Business, within nine to 12 months of the date Exxon and Mobil executed the Consent Agreement.

During the Hold Separate Period (which begins after the Order to Hold Separate and Maintain Assets becomes final and ends after Respondents have completed the required divestitures), the Held Separate Business shall be held separate, apart, and independent of Respondents' businesses. The Held Separate Business must be managed and maintained as a separate, ongoing business, independent of all other businesses of Respondents until Respondents have completed the required divestitures. All competitive information relating to the Held Separate Business must be retained and maintained by the persons involved in the operation of the Held Separate Business on a confidential basis. 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 other of Respondents' businesses, except as advised by legal counsel of the Held Separate Business. These persons involved in the operation of the Held Separate Business shall not be involved in any way in the management, production, distribution, sales, marketing, or financial operations of Respondents relating to competing products. Similarly, persons involved in similar activities in Respondents' businesses shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any similar information to or with any other person whose employment involves the Held Separate Business.

Any violation of the Consent Agreement may subject Respondents to civil penalties and other relief as provided by law.