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On, November 22, Total's senior management and three European federations, EMCEF, FECCIA and FECER, signed an agreement in which they together confirmed a number of general strategic orientations to promote ongoing employee dialogue in total's European businesses.

For the first time in the history of the Group, an agreement that will be applied in the enlarged European Union and the European Economic Area has then been concluded. This agreement should enable dialogue with employees to play an important role in supporting economic, organisational and societal changes.

In order to provide a favourable context for this commitment to social dialogue, the agreement is based on three major principles :

- Expansion of social dialogue through provision of more information and consultation with employee representatives on Total's plans for change in its European businesses.
- Support for long term career management and a culture of life-long learning in professional life.
- Identification and application of appropriate solutions relative to employment, working conditions and a social safety net in the event of changes in the various parts of the company.

Total's senior management undertakes to encourage its European business units to apply these principles of its Europe-wide social platform.

Jean-Jacques GUILBAUD
*Director of Human Resources
and Communications*

EUROPEAN AGREEMENT

22 NOVEMBER 2004

SOCIAL PLATFORM TOTAL GROUP

EUROPEAN AGREEMENT

Between:

TOTAL S.A. represented by:



Jean-Jacques GUILBAUD,
Director of Human Resources
and Communications

Of the first part,

And the **European Trade Union Organisations:**

For the **CES**

For the **CEC**



The **EMCEF:**
Mr. Reinhard REIBSCH

The **FECCIA:**
Mr. François VINCENT

The **FECER:**
Mr. Jean CONAN

Of the second part,

Now, therefore, having agreed upon the following:

PREAMBLE

Certain European companies with transnational establishments, European but also global, feel that it is necessary to have an economic and social process that will allow them to deal with the constant changes in the context of the European Union (EU).

The Total group has endowed itself with an Ethics Charter and subscribed to the Principles of the Universal Human Rights Declaration, to the basic Conventions of the International Labour Organisation, the guiding principles of the OCDE and to the Principles of the Covenant of the United Nations. In this spirit, the TOTAL Management and the European Social Partners have decided to jointly state a certain number of general guidelines.

Social dialogue must be developed and guaranteed at all levels of the Total group, especially with the social partners, as it plays an important role in accompanying economic, structural and social changes.

In order to deal with the European social responsibilities in a changing world, it seemed necessary to implement a social dialogue within the various Total group entities.

Thanks to social dialogue, the major principles and basic general guidelines will be set to so as to establish, maintain and develop a social and economic balance that takes into account the aspirations of the employees of the whole Total group entities.

Within the framework of this agreement, the Management reiterates its determination to provide each employee affected by changes with an appropriate solution for the consequences they could have on their employment.

The development of competences and qualifications throughout the professional life is considered by all of the social partners as a major tool, notably by giving priority to actions promoting the forward-looking administration of the employees.

This first commitment is consequently the main theme of the entire approach described in this agreement.

The domains covered by the agreement are the following:

- the domain of social dialogue development, consultation and negotiation with the social partners in each country included in the scope of the present agreement, in compliance with the legislative and contractual texts in each entity's country;
- the domain of the pro forma management of jobs and professional skills, together with the necessary actions to provide the employees with training that will enable them both to adapt to the changes in technology and the requirements of the company as well as their personal aspirations throughout their professional lives;
- the domain of the principles and action axes to be implemented at the time of each change, especially of a legal nature, affecting Group entities that have repercussions on employment, working conditions or social protection.

The two parties, the Management of Total group and the European Federations, undertake to request the recognition and transposition of the three major principles contained herein by the Group's various European entities, even if the European Directives covering these topics have not yet been integrated into all of the national legal systems, without however running counter to the existing national legal systems.

The two parties, the Management of Total group and the European Federations, undertake to respectively inform one another and exchange view in case of application difficulties related in particular to the applicable national, legislative and contractual provisions that would require an adaptation of the basic principles.

☆ Article 1

APPLICATION SCOPE OF THE EUROPEAN SOCIAL PLATFORM

This agreement applies to all the Total group's legally autonomous entities mentioned in the 1st article of the agreement concerning the European Works Council (EWC) of TOTAL dated 20 March 2001, provided that they have a personnel representation body.

In the absence of such representatives on a given entity, the TOTAL Management will see to it that the European social platform's major principles are respected. An information on the situation of these entities with respect to this agreement will be provided by the TOTAL Management to the signatories of the social platform.

☆ Article 2

SOCIAL DIALOGUE AND CONSULTATION WITH THE SOCIAL PARTNERS

In compliance with the agreement of 20 March 2001, the EWC is responsible for looking after affairs having a European scope. It respects the prerogatives of the national personnel representation bodies, and it cannot replace them or act redundantly with regard to them.

The TOTAL Management and the European Federations affirm their joint determination on the one hand to maintain and to develop the dialogue level within the EWC as well as within the different entities it represents. In order to achieve this, the Management of Total group undertakes to heighten the information and consultation within the EWC on projects for European evolutions within the Group, by providing this consultation as far upstream as possible while complying with national legislations.

In connection with the attributions defined in article 2 of the agreement dated 20 March 2001, in case of exceptional circumstances that significantly modify the Group's general functioning or structure, a meeting of the Liaison Bureau will be held within eight days of the Board of Directors meet-

ing. The Group Management provides the Liaison Bureau with the information needed to consider the situation. After an examination with the Liaison Bureau, if the circumstances so require, another extraordinary EWC meeting can be called during the same year, either at the request of the Liaison Bureau, or at the request of a majority of the members of the EWC addressed directly to the Management. This request cannot occur before the start of the national consultations, and cannot interfere with the said consultations. It cannot be a precondition for the issuing of an opinion as part of the national procedures.

The information and consultation of the EWC can nonetheless be brought to the attention of the personnel representatives, within reasonable delay, as part of national procedures.

In the same spirit, and particularly when the national legislation of the country in which the reorganisation is planned expressly provides for recourse to an expert opinion by a consultant, the personnel representatives can envisage the transmission to the Liaison Bureau members of the report drafted by the consultant within the framework of the national procedure.

As this communication to the Liaison Bureau occurs during the course of the procedure before the national bodies of the country in question, it cannot serve to delay the opinion of the EWC or the procedure before these bodies. It can justify the request made by the Secretary of the EWC, in agreement with the TOTAL Management, for an exceptional meeting of the Liaison Bureau.

☆ Article 3

PRO FORMA MANAGEMENT OF JOBS AND SKILLS THROUGHOUT PROFESSIONAL LIFE

The social partners consider that the development of skills throughout the professional life requires implementing the following four priorities:

- identification and anticipation of requirements in skills and qualifications;
- recognition and validation of skills and qualifications;
- information, support and advice;
- mobilisation of resources (Group, employees and public authorities). In this spirit, the Group Management commits itself to encourage the entities in the countries to implement systems for providing early information to personnel representatives so as to allow for a dynamic social dialogue.

In this spirit, the Management of the Total group commits itself to encourage the various entities in the countries to anticipate early information to the representative bodies so as to facilitate a dynamic social dialogue.

The Management of the Total group is equally committed to encouraging the various entities to anticipate, as much as possible, any technological, industrial and environmental changes by implementing, in collaboration with the local representative bodies, actions that will facilitate adaptation to these changes, including in sectors experiencing difficulties.

The Management of the Total group will provide the entities affected by major changes to their structures with support, primarily of a technical nature, that will allow them to create or improve the instruments intended to promote joint initiatives for professional training and apprenticeship, while employing management and orientation tools such as for example individual appraisal interviews or training plan.

The Management of the Total group and the European Federations commit themselves to facilitate and to provide a framework, especially via European level negotiation, for professional mobility within Europe and steps in favour of diversity.

The Management of the Total group commits itself to facilitate the elaboration of projects covered by the framework of the social policy of the European Social Funds.

In order to avoid any discrimination, the Management of the Total group renews its commitment to ensure the career management of the Group's employees who have a union or elected mandate is provided for, both in terms of advancement and of remuneration.

☆ Article 4

SOCIAL CONSEQUENCES IN CASE OF CHANGES AFFECTING GROUP ENTITIES WITH REGARD TO EMPLOYMENT, WORKING CONDITIONS AND SOCIAL PROTECTION

The Management of the Total group commits itself to ensure that the information provided to personnel representatives will allow them to contribute to the projected modifications as far upstream as possible, in compliance with the legislation of the various countries.

When business disposals are envisaged, the Management of the Total group commits itself to ensuring that the disposal contracts take into account negotiated commitments, relating to the social consequences for the employees that can result from these disposals.

For the Group entities faced with restructuring, the Management of the Total group will encourage the local entities commit themselves to implement solutions that suit the employment problems, through facilitating internal or external reclassification, in order to respect the Group's commitment to guarantee each employee concerned by the evolutions with a solution to the employment problem that could ensue. The Management of the Total group will evaluate and take into account the impacts induced restructuring and/or disposals on the industrial environment of the companies composing it and will provide a technical support to study or facilitate the implementation of specific actions to help develop employment in the catchment areas affected by such reorganisations, such as spin-offs, or aids for company creation.

The representatives of the personnel do not however approve all the restructuring, reorganisations and disposals which remain projects of the Management of the Total group.

☆ **Article 5**

MONITORING OF THE AGREEMENT'S APPLICATION

An update on the agreement's implementation in the different Group entities, will take place twice a year, during the meetings of the European Works Council's Liaison Bureau.

It is agreed that during this examination, a list of actions that may have been implemented on each of the domains of this agreement will be compiled and will lead to an exchange of views. This list will result in a brief annual report which could be transmitted to the entities of the Total group.

In case of difficulties observed by the social partners in one of the Group's entities, the signatories of this agreement may request a meeting devoted to the application of this agreement. This meeting will be organised in agreement with the Management of the Total group.

☆ **Article 6**

PUBLICITY

This agreement will be filed with the Departmental Labour and Employment Division to which the TOTAL Headquarters is attached as well as the Labour Court Registry of Nanterre and with the European Commission in Brussels (DG for SOCIAL AFFAIRS AND EMPLOYMENT).

Signed in Courbevoie, La Défense
On 22 November 2004
In 7 original copies

For **TOTAL S.A.**

Jean-Jacques GUILBAUD

European trade union organisations:

For the **CES**

The **EMCEF:**
Reinhard REIBSCH

For the **CEC**

The **FECCIA:**
François VINCENT

The **FECER:**
Jean CONAN