

Agreement

between

**Phillips Petroleum Company entities and employees of Phillips
Petroleum company entities as listed in Annex I**

on the establishment of a

**European works Council (EWC)
at the level of the European Economic Area.**

(1-7-1996)

PREAMBLE:

The parties concerned have established the Agreement with the purpose of informing and consulting employees on matters of general importance.

The parties want to secure an information flow and a direct dialogue with Management on matters of general importance to the employees, especially matters of transnational nature.

The parties believe that a European Works Council is a valuable addition to the employees representation systems already in place at national and local levels and which are the most appropriate places for communication and cooperation. The parties recognize that this Agreement shall not infringe on the functioning and competence of these existing systems.

The parties are aware of Council Directive 94/45/EC on the establishment of European Works Council or Procedure in community scale undertakings and community scale groups of undertakings for the purposes of informing and consulting employees and recognize that this Agreement is in accordance with Article 13 of the above stated Council Directive.

1. PARTIES CONCERNED

The intent is that all Phillips Petroleum Company entities within the European Economic Area (EEA) shall be part of this Agreement.

Likewise the intention is that all employees of the EEA entities are covered by this Agreement. Annex I to this Agreement lists all Phillips Petroleum Company entities covered by this Agreement.

2. REPRESENTATION

The structure of the EWC shall be composed as follows: Delegates from Management of each entity. Delegates from Employees employed by Phillips Petroleum Company affiliates within EEA.

Annex II to this Agreement covers delegates of Management and delegates of Employees, alternates and election procedures.

3. FUNCTIONING

The EWC will meet once a year. With the prior agreement of all parties additional meetings may be organized should exceptional circumstances so require. Place and time will be decided upon latest three months prior to each meeting. For additional meetings a shorter notice time would be acceptable.

Time will be made available for a premeeting between the employee delegates. Time allowance for such premeetings shall be from a half to a full day.

The EWC shall establish procedures for conducting the meetings.

The working language shall be English. Correspondence as well as meetings will be conducted in English. Delegates may express themselves in their own language. Translation into English will be provided. All written material, including the agenda and the minutes of meetings will be in English. Language training for delegates will be offered on an as needed basis.

Attendance at the meeting(s) is considered as a business trip. Travel and accommodation will be reimbursed.

The EWC shall establish a Working Committee (WC) consisting of a representative and a secretary appointed by Management and a delegate elected among the delegates of the employees.

The EWC will be responsible for each meeting's agenda. Suggestions for agenda items should be forwarded to the WC at least 5 weeks prior to the meeting. The agenda shall be forwarded to all meeting delegates 3 weeks prior to the meeting.

The WC shall meet at least twice annually, once prior to the EWC meeting and once after. Delegates of Management shall act as chairman and as secretary of the meeting. The secretary will issue and forward the minutes of meeting to the participants and local management within two weeks from the meeting date.

Information flow to local employees:

Local management and the employees delegates will jointly decide upon the most appropriate means of communication to local employees. Company will provide assistance for dissemination of information.

4. COMPETENCE

The EWC shall deal with topics of general interest and importance to the employees of the entities of Phillips Petroleum Company in EEA.

These topics shall relate to:

safety and environment matters, economic and financial situation, developments of the business, production and sales, organizational structure and new work methods.

Topics relating to a single Phillips entity will not be admitted. Matters of such nature shall be handled through structures and procedures established by the local entities.

Matters relating to wages and benefits shall not be part of the EWC's competence.

The meeting will represent a forum for consultation in which an exchange of views and a constructive dialogue can take place.

5. EXPERTS

The EWC may be assisted by experts of its choice, in so far as this is necessary for it to carry out its tasks. Use of experts funded by the Company shall be limited to a reasonable cost of one expert per meeting. The role of the expert shall be limited to provide assistance outside the meeting.

Coverage in excess of one must be agreed upon by the parties.

6. ORGANIZATION

Phillips Petroleum Company Norway shall act as the secretarial office for the EWC. Responsibilities of the secretarial office includes calling and organizing meetings and all other aspects thereto.

7. CONFIDENTIALITY

Information which may be in conflict with laws and regulations shall be exempted from disclosure in the EWC at managements discretion.

All delegates of the EWC shall treat all matters classified as confidential accordingly. The obligation of confidentiality shall continue to apply, wherever the members of the EWC are, even after the expiry of their terms of office

8. DURATION, RENEGOTIATION, AND LAW APPLICABLE

This Agreement will commence on July 1. 1996 and will have a duration of 4 (four) years.

If the parties deem it necessary, the Agreement will be amended during the period.

The parties will meet at latest six months prior to termination of the Agreement for negotiating a prolongation and changes deemed necessary.

Norwegian law is applicable to this agreement.

On behalf of :

**Phillips Petroleum Company
Entities**

B.Z. Parker
Phillips Petroleum Company
Norway
Phillips Petroleum Norsk A/S

A.Risley
Phillips Petroleum Company UK
Ltd.
Phillips Petroleum Products Ltd.

J.M. Guillaume
Phillips Petroleum Chemicals SA/NV
Phillips Petroleum International France
S.A.

J.P Vermeire
Phillips Petroleum International S.r.l.
Phillips Petroleum International
GmbH Phillips Petroleum
International AG - BB

J. Rugland
Manager, HR and Administration
Phillips Petroleum Company
Norway

D.W. Clare
Dir. HR and Administration
Phillips Petroleum Company UK
Ltd.

On behalf of :

**Employees of Phillips Petroleum
Company Entities**

Steinar Egeland
Ekofisk- Komiteen, NALF 142
NEPCO, NITO, NOFU, NIF-P
Communication Forum,
Phillips Petroleum Company Norway
Works Council
Phillips Petroleum Norsk A/S

Michael Brider
Transport and General Workers
Union
United Kingdom

David V.
Holmes
MSF
United
Kingdom

Martin Older
Representing Non-union
Employees
United Kingdom

M.L. Van Schoelandt
Communication Forum, Phillips
Petroleum Chemicals, Overijse
Milano, Frankfurt and Reuil-
Malmaison

W. Bervoets
Works Council
Phillips Petroleum Chemicals,
Tessenderlo

J.R.Cornelis
Dir. HR and Administration
Phillips Petroleum Chemicals SA/NV

Legal entities of Phillips Petroleum Company made part of the Company's EWC are:

Phillips Petroleum Company Norway

Phillips Petroleum Company United Kingdom Limited

Phillips Petroleum Norsk A/S

Phillips Petroleum Products Limited

Phillips Petroleum Chemicals SA / NV

Phillips Petroleum International AG-BB

Phillips Petroleum International France S.A.

Phillips Petroleum International GMBH

Phillips Petroleum International S.r.l.

As per section 1. of the Agreement, the intent is that all Phillips Petroleum Company entities within EEA shall be part of the EWC. This Annex reflects the current situation. Alterations will be made as and when appropriate.

The Council is composed as follows

DELEGATES OF MANAGEMENT:

- Managing Director, Phillips Petroleum Company Norway
- Managing Director, Phillips Petroleum Company UK
- Managing Director, Phillips Petroleum Chemicals, SA/NV
- Executives and Managers as appropriate for each meeting.

DELEGATES OF EMPLOYEES:

The nomination of delegates of employees of EEA entities shall be in accordance with the following table:

| Entity | Union Delegates | Non-Union |
|--|------------------------|------------------|
| Phillips Petroleum Co. Norway | 10 | 2 |
| Phillips Petroleum Co. UK Ltd. (Teeside) | 1 | 1 |
| Phillips Petroleum Norsk A/S | 1 | - |
| Phillips Petroleum Company UK Ltd. (Woking/Aberdeen/Bacton/Hewett) | 1 | 3 |
| Phillips Petroleum Products Limited | 1 | 1 |
| Phillips Petroleum Chemicals SA/NV Phillips Petroleum Int. AG BB Phillips Petroleum Int. France S.A. Phillips Petroleum Int. GMBH Phillips Petroleum Int. S.r.l. | 14 | 8 |
| Total | | |

Each entity shall elect named delegates and named alternates as appropriate in accordance with the above table and with local election procedures.

Latest three (3) months prior to the EWC taking place the WC shall be notified of the named delegates from each entity.