



CORPORATE GOVERNANCE





The Directors

Members of the Board of Directors are appointed by the Shareholders' Meeting for a three-year term. In case of the resignation or death of a Director, the Board may appoint a replacement Director on a temporary basis and this appointment must be ratified by the next Shareholders' Meeting. The terms of office of the members of the Board are staggered to more evenly space the renewal of appointments.

In 1995, TOTAL established two special committees of the Board of Directors: the Nominating & Compensation Committee and the Audit Committee. In February 2007, the Board decided to split the Nominating & Compensation Committee into two separate committees: the Nominating & Governance Committee and the Compensation Committee (see p.15).

In 2003, the Board of Directors amended the corporate governance rules initially adopted in 1995 and in 2001 to take into account recent developments in this area, including the recommendations contained in the AFEP-MEDEF (French Employers' Federation) report published in September 2002.

In 2004, the Board of Directors adopted a Code of Financial Ethics that, in the overall context of the Group's Code of Conduct, details the obligations of the Chief Executive Officer as well as the Group's senior managers responsible for financial and accounting matters. The Board has made the Audit Committee responsible for ensuring compliance with this Code.

In 2005, the Board of Directors amended the Audit Committee's charter to clarify its role in supervising the Group's statutory auditors and the criteria governing the independence of the Committee's members. The Board also set up an Audit Committee alert process governing irregularities in accounting, internal accounting controls or auditing matters.

In 2006, at the end of Mr. Jacques Friedmann's term of office as Director, Mr. Antoine Jeancourt-Galignani, an independent Director, was designated to succeed Mr. Friedmann as member and Chairman of the Audit Committee and as that committee's financial expert.

In February 2007, the Board decided to separate the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company (see pp.15 and 16).

Furthermore, since 14 May, 2004, the Board includes a Director (Mr. Daniel Boeuf) designated to represent employee shareholders and elected by the Shareholders' Meeting.

The mode of functioning of the Group's administrative and managerial bodies has been defined in accordance with the corporate governance practices generally followed by companies whose shares are listed on a regulated stock market.

For further information, please consult TOTAL's "Registration Document 2006", which is available in print or by accessing in the Group's web site www.total.com



Board of Directors

The following individuals were members of the Board of Directors of TOTAL S.A. in 2006:



Thierry Desmarest

61 years old. Chairman and Chief Executive Officer of TOTAL S.A. from May 31, 1995 to February 14, 2007, then Chairman of the Board of Directors of TOTAL S.A.

since February 14, 2007.

Chairman and Chief Executive Officer of Elf Aquitaine since February 15th 2000. Director of Sanofi-Aventis and of Air Liquide. Member of the Supervisory Board of AREVA.



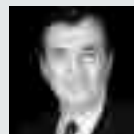
Daniel Boeuf

58 years old. Director of TOTAL S.A. representing employee shareholders since 2004. Responsible for training and skills management in specialties within the Refining & Marketing division.



Daniel Bouton

56 years old. Independent Director. Director of TOTAL S.A. since 1997. Chairman and Chief Executive Officer of Société Générale. Director of Schneider Electric S.A. and Veolia Environnement.



Bertrand Collomb

64 years old. Independent Director. Director of TOTAL S.A. since 2000. Chairman of the Board of Directors of Lafarge. Director of Atco.



Paul Desmarais Jr

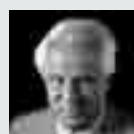
52 years old. Independent Director. Director of TOTAL S.A. since 2002. Chairman of the Board and co-Chief Executive Officer of Power Corporation of Canada.

Vice-Chairman and Deputy Managing Director of Pargesa Holding S.A. Vice-Chairman of the Board of Directors and member of the Strategic Committee of Imerys. Member of the Board of Directors and Executive Committee of The Great-West Life Assurance Company, of Groupe Bruxelles Lambert S.A., of London Insurance Group Inc and of Mackenzie Inc. Director of Suez.



Jacques Friedmann

74 years old. Independent Director. Director of TOTAL S.A. since 2000 to May 12, 2006. Director of LVMH.



Bertrand Jacquillat

62 years old. Independent Director. Director of TOTAL S.A. since 1996. University professor. Chairman and Chief Executive Officer of Associés en Finance.

Member of the Supervisory Board of Klepierre and of Presses Universitaires de France (PUF).



Antoine Jeancourt-Galignani

69 years old. Independent Director.
Director of TOTAL S.A. since 1994.
Former Chairman of Assurances Générales
de France (AGF). Chairman of the Supervisory

Board of Euro Disney SCA. Director of Gecina, of Société
Générale, of Assurances Générales de France and of Kaufman &
Broad S.A. Member of the Supervisory Board of Oddo et Cie.



Anne Lauvergeon

47 years old. Independent Director.
Director of TOTAL S.A. since 2000.
Chairman of the Management Board of AREVA.
Director of Suez and of VODAFONE Group Plc.

Vice-President and Member of the Supervisory Board of SAFRAN.



Peter Levene of Portsoken

65 years old. Independent Director.
Director of TOTAL S.A. since 2005.
Chairman of Lloyd's, of International Financial
Services London and of General Dynamics UK Ltd.



Maurice Lippens

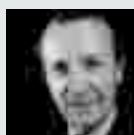
63 years old. Independent Director.
Director of TOTAL S.A. since 2003.
Chairman of Fortis and of Compagnie Het Zoute.
Director of Groupe Bruxelles Lambert and of
Belgacom.



Christophe de Margerie

55 years old. Director of TOTAL S.A.
since May 12, 2006.
Member of the Executive Committee of TOTAL
since 1999.

President Exploration & Production, TOTAL, until February 13, 2007.
Chief Executive Officer of TOTAL S.A. since February 14, 2007



Michel Pébereau

64 years old. Independent Director.
Director of TOTAL S.A. since 2000.
Chairman of BNP Paribas. Director of Lafarge,
of Saint Gobain and of Pargesa Holding S.A.

Member of the Supervisory Board of Axa. Chairman of the
European Banking Federation.



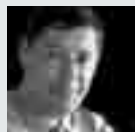
Thierry de Rudder

57 years old. Independent Director.
Director of TOTAL S.A. since 1999.
Acting Managing Director of Groupe Bruxelles
Lambert. Director of Suez and Imerys.



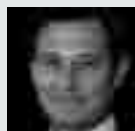
Jürgen Sarrazin

70 years old. Independent Director.
Director of TOTAL S.A. since 2000.



Serge Tchuruk

69 years old. Independent Director.
Director of TOTAL S.A. since 1989.
Chairman of the Board of Alcatel-Lucent.
Director of Thalès.



Pierre Vaillaud

71 years old. Independent Director.
Director of TOTAL S.A. since 2000.
Chairman Former Chief Executive Officer of Elf
Aquitaine and of Technip. Director of Technip.

Member of the Supervisory Board of Oddo et Cie.

Director Independence

The Committee proposed to the Board a list of independent directors based on generally recognized corporate governance principles. The Nominating & Compensation Committee proposed that the Board consider a director to be independent when that director has "no relationship, of any nature, with the Company, group or its management which could compromise the independent exercise of his judgment", pursuant to the AFEP-MEDEF (French corporate associations) report of 2002.

At its meeting on February 13, 2007, the Board, acting on a proposal from the Committee, determined that, as of December 31, 2006, the following directors were independent: Messrs. Bouton, Collomb, Desmarais, Jacquillat, Jeancourt-Galignani, Levene of Portsoken, Lippens, Pébereau, de Rudder, Tchuruk and Vaillaud. These directors meet the independence criteria contained in the AFEP-MEDEF report of 2002, with the exception of Mr. Tchuruk, who has been a director of the Company for a period exceeding the twelve years recommended by the report. The Board, taking into account the nature of the Company's industry, with the associated long-term investments and activities, considered that service as a director over a long period corresponds to certain experience and authority that strengthens the independence of a director. Upon this basis, the Board concluded that Mr. Tchuruk was an independent director.

In evaluating the independence criteria under the report related to material client, supply, banking or investment banking relationships between a director and the Company, the Board considered that the business dealings between Group companies and the banking institutions where Messrs. Bouton and Pébereau are members of the administrative or management bodies are not material since these dealings represent less than 0.1% of their net banking income.

The Board concluded that Messrs. Bouton and Pébereau were independent directors. Under this evaluation, 73.3% of the members of the Board of Directors are considered to be independent. The Board also noted that there were no potential conflicts of interest between the Company and its directors.

Directors' Charter

The Directors' Charter specifies the obligations of each director and sets forth the roles and working procedures of the Board of Directors

Obligations of Directors

Each director is committed to maintain the independence of his analysis, judgment, decision and action as well as not to be unduly influenced. When a director participates in and votes at Board meetings, he is required to represent the interest of the shareholders and the Company as a whole. Directors must actively participate in the affairs of the Board, specifically on the basis of information communicated to him by the Company. Each director must inform the Board of conflicts of interest that may arise, including the nature and terms of any proposed transactions that could give rise to such situations. If he is opposed to a project brought before the Board, he is required to clearly express his opposition. Directors must hold at least the minimum number of registered shares specified by the Company by-laws and comply strictly with provisions regarding the use of material non-public information.

Board of Directors' role

The Board of Directors' role is to determine the strategic vision for the Group and supervise the implementation of this vision. With the exception of the powers and authority expressly reserved for shareholders and within the limits of the Company's legal purpose, the Board may address any issue related to the operation of the Company and take any decision concerning the matters falling within its purview. Within this framework, the Board's duties and responsibilities include, but are not limited to, the following:

- appointing the officers responsible for managing the Company and supervising their actions;
- defining the Company's strategic orientations and, more generally, those of the Group;
- considering major transactions to be pursued by the Group;
- receiving information on significant events related to the Company's affairs;
- monitoring the quality of information supplied to shareholders and the financial markets through the financial statements that it approves and the annual report, or when major transactions are conducted;
- convening and setting the agenda for shareholders meetings;
- preparing, for each year, a list of the directors it deems to be independent under generally recognized corporate governance criteria; and
- conducting audits and investigations as it may deem appropriate.

The Board, with the assistance of its specialized committees where appropriate, ensures the following:

- that authority within the Company has been properly delegated before it is exercised, and that the various entities of the Company respect the authority, duties and responsibilities they have been given;
- that no individual is authorized to both contract and reimburse obligations of the Company without proper supervision and control;
- that the internal audit function operates properly and that the independent auditors are able to conduct their audits under appropriate circumstances; and
- that the committees it has created duly perform their responsibilities.

Functioning of the Board

The Board regularly (at least every three years) conducts an evaluation of its own practices. Each year it also discusses its performance.

Board Meetings

The Board of Directors convenes at least four times each year and more often should circumstances require it.

The Board held seven meetings in 2006, with an average attendance of 86.2%.

The agenda for these meetings included, but was not limited to, the following subjects:

- 2006 Budget;
- Group insurance policy;
- summary of Ethics Committee activity;
- 2005 accounts (consolidated financial statements, parent company accounts);
- Group finance policy;
- evaluation of the independence of directors and discussion of the Board's performance;
- approval of the Arkema spin-off and related terms;
- convocation of the shareholders' meeting and approval of the documents related to this meeting;
- strategic outlook for the Chemicals division, for the Gas & Power division, for the Exploration & Production division and for the Refining & Marketing division;
- earnings for the first quarter 2006 and information on adjustments under IFRS to the 2004 accounts;
- update on CEPESA developments;
- award of stock options and restricted share grants;
- presentation of final earnings for the first half 2006 and mid-2006 outlook;
- presentation of the Jubail (Saudi Arabia) refinery construction project;
- Group strategy and five-year plan;
- earnings for the third quarter 2006;
- distribution of an interim dividend.

For further information, please consult TOTAL's "Registration Document 2006", which is available in print or by accessing in the Group's web site www.total.com



Audit Committee

The Audit Committee's role is to assist the Board of Directors in ensuring effective internal financial control and oversight and appropriate disclosure to shareholders and the financial markets.

The Audit Committee's duties include:

- recommending the appointment of independent auditors, their compensation and ensuring their independence;
- establishing the rules for the use of independent auditors for non-audit services;
- examining the accounting policies used to prepare the financial statements, examining the parent company annual financial statements and the consolidated annual, semi-annual, and quarterly financial statements prior to their examination by the Board, after regularly monitoring the financial situation, cash flow statement and obligations of the Company;
- reviewing the implementation of internal control procedures and the evaluation of their effectiveness with the assistance of the internal audit department;
- reviewing the creation and activities of the disclosure committee, including reviewing the conclusions of this committee;
- approving the scope of the annual audit work of internal and external auditors;
- keeping regularly informed of completed audits, examining internal audit reports and other reports (independent auditors, annual report, etc.);
- examining the appropriateness of risk oversight procedures;
- examining the choice of appropriate accounting principles and methods;
- examining the Group's policy for the use of derivative instruments;
- giving, if requested by the Board, its opinion regarding major transactions contemplated by the Group;
- annually reviewing significant litigation;
- implementing and monitoring compliance with the Financial Code of Ethics;
- proposing to the Board, for implementation, a procedure for complaints or concerns of employees, shareholders and others, related to accounting, internal accounting controls or auditing matters; and
- examining the procedure for booking the Group's proved reserves.

The Committee is made up of at least three directors designated by the Board of Directors.

During 2006, the members of the Audit Committee were: Mr. Jacques Friedmann (Chairman until May 12, 2006) then Mr. Antoine Jeancourt-Calignani, as well as Messrs. Bertrand Jacquillat and Thierry de Rudder, all independent Directors.

The Committee meets at least four times a year to examine the consolidated annual and quarterly financial statements. The Committee may also meet with the Chairman or the Chief Executive Officer, perform inspections and consult with managers of operating or non-operating departments, as may be useful in performing its duties. The Committee meets with the independent auditors and submits written reports to the Board of Directors regarding its work.

The Audit Committee met six times during 2006.

Nominating & Compensation Committee

This Committee performs the following specific tasks:

1. With respect to nominations:

- assists the Board in the selection of directors, corporate officers, and Directors as Committee members;
- recommends annually to the Board the list of directors who may be considered as "independent directors" of the Company; and
- proposes methods for the Board to evaluate its performance.

2. With respect to compensation:

- makes recommendations and proposals to the Board regarding:
 - (i) compensation, pension and insurance plans, in-kind benefits, and other compensation, including severance benefits, for the Chairman or the Chief Executive Officer of TOTAL S.A.; and
 - (ii) awards of stock options and restricted share grants, including specific awards to the Chairman or the Chief Executive Officer;
- reviews the compensation of members of the Executive Committee, including stock option plans, restricted share grants and equity-based plans as well as pension and insurance plans and in-kind benefits.

The Committee is made up of at least three directors designated by the Board of Directors. The members of the Committee are: Messrs. Bertrand Collomb, Michel Pébereau and Serge Tchuruk, all independent directors. The Committee is chaired by Mr. Michel Pébereau.

The Committee meets at least twice a year and met three times during 2006.

The Committee invites the Chief Executive Officer of the Company to present recommendations. The Chief Executive Officer may not be present during deliberations regarding his own compensation.

Recent Corporate Governance Developments

At its meeting on February 13, 2007, the Board of Directors, acting on a proposal by the Nominating & Compensation Committee, enacted certain changes related to the Group's corporate governance, effective as of February 2007. The Board amended the Directors Charter, subsequently renamed the Rules of Procedure of the Board of Directors, mainly to take into account the fact that separate individuals would serve as Chairman and as Chief Executive Officer and to create a separate Nominating & Governance Committee and Compensation Committee to divide the duties of the former Nominating & Compensation Committee.

The Board also adopted charters for these committees. Also on February 13, 2007, the Board of Directors appointed Mr. Christophe de Margerie as Chief Executive Officer of the Company. Mr. Thierry Desmarest remains Chairman of the Board of Directors.

THE EXECUTIVE COMMITTEE & THE MANAGEMENT COMMITTEE



Meeting of the Executive Committee on 13 February, 2007 (from left to right):

Bruno Weymuller, François Cornélis, Christophe de Margerie, Thierry Desmarest, Michel Bénézit, Yves-Louis Darricarrère, Robert Castaigne.

Composition of the Executive Committee after February 13, 2007

On February 14, 2007, Christophe de Margerie was appointed Chief Executive Officer of TOTAL S.A., with Thierry Desmarest continuing to serve as non-executive Chairman of the Board of the Company.

From February 14, 2007, Christophe de Margerie is the President of TOTAL's Executive Committee and of TOTAL's

Management Committee. Yves-Louis Darricarrère replaced Christophe de Margerie as President of the Exploration & Production division of the Group. Jean-Jacques Guilbaud, President of the Human Resources & Communications department of the Group was appointed as a member of the Executive Committee on February 19, 2007.



► **THE EXECUTIVE COMMITTEE (COMEX)** is the primary decision-making body of the Group. It implements the strategy formulated by the Board of Directors and authorizes related investments.

► **THE MANAGEMENT COMMITTEE (CODIR)** of the Group facilitates coordination among the divisions and monitors the operating results and activity reports of these divisions.

THE EXECUTIVE COMMITTEE (COMEX)

The following individuals were serving as members of TOTAL's Executive Committee as of December 31, 2006:

Thierry Desmarest ^(a)

Chairman of the COMEX (Chairman and Chief Executive Officer);

François Cornélias

Vice-Chairman of the COMEX (President of the Chemicals division);

Michel Bénézit

(President of the Refining-Marketing division)

Robert Castaigne

(Chief Financial Officer)

Yves-Louis Darricarrère

(President of the Gas & Power division);

Christophe de Margerie ^(b)

(President of the Exploration & Production division); and

Bruno Weymuller

(President of the Strategy & Risk assessment department)

(a) Until 13 February 2007.

(b) Chairman of the Executive Committee (Chief Executive Officer) since 14 February 2007.

THE MANAGEMENT COMMITTEE (CODIR)

In addition to the members of the COMEX, the following 23 individuals from various non-operating departments and operating divisions were serving as members of TOTAL's Management Committee as of December 31, 2006:

Holding

Jean-Pierre Cordier, Yves-Marie Dalibard, Jean-Michel Gires, Jean-Jacques Guilbaud, Peter Herbel, Ian Howat, Jean-Marc Jaubert, Patrick de La Chevardière, Jean-François Minster

Upstream

Philippe Boisseau, Jean-Marie Masset, Charles Mattenet, Patrick Pouyanné, Jean Privey

Downstream

Alain Champeaux, Alain Grémillet, François Groh, Éric de Menten, Jean-Jacques Mosconi, André Tricoire

Chemicals

Pierre-Christian Clout, Françoise Leroy, Hugues Woestelandt

STATUTORY AUDITORS

Statutory auditors

• **Ernst & Young Audit**

41, rue Ybry, 92576 Neuilly-sur-Seine Cedex
G. Galet - P. Diu

• **KPMG Audit**

Département de KPMG S.A.
1, cours Valmy, 92923 Paris-La Défense
R. Amirkhanian

Alternate auditors

• **Jean-Luc Decornoy**

2 bis, rue de Villiers, 92300 Levallois-Perret

• **Pierre Jouane**

41, rue Ybry, 92576 Neuilly-sur-Seine Cedex

The terms of office of the statutory auditors and of the alternate auditors expire at the conclusion of the shareholders' meeting called to approve the financial statements for the fiscal year 2009.

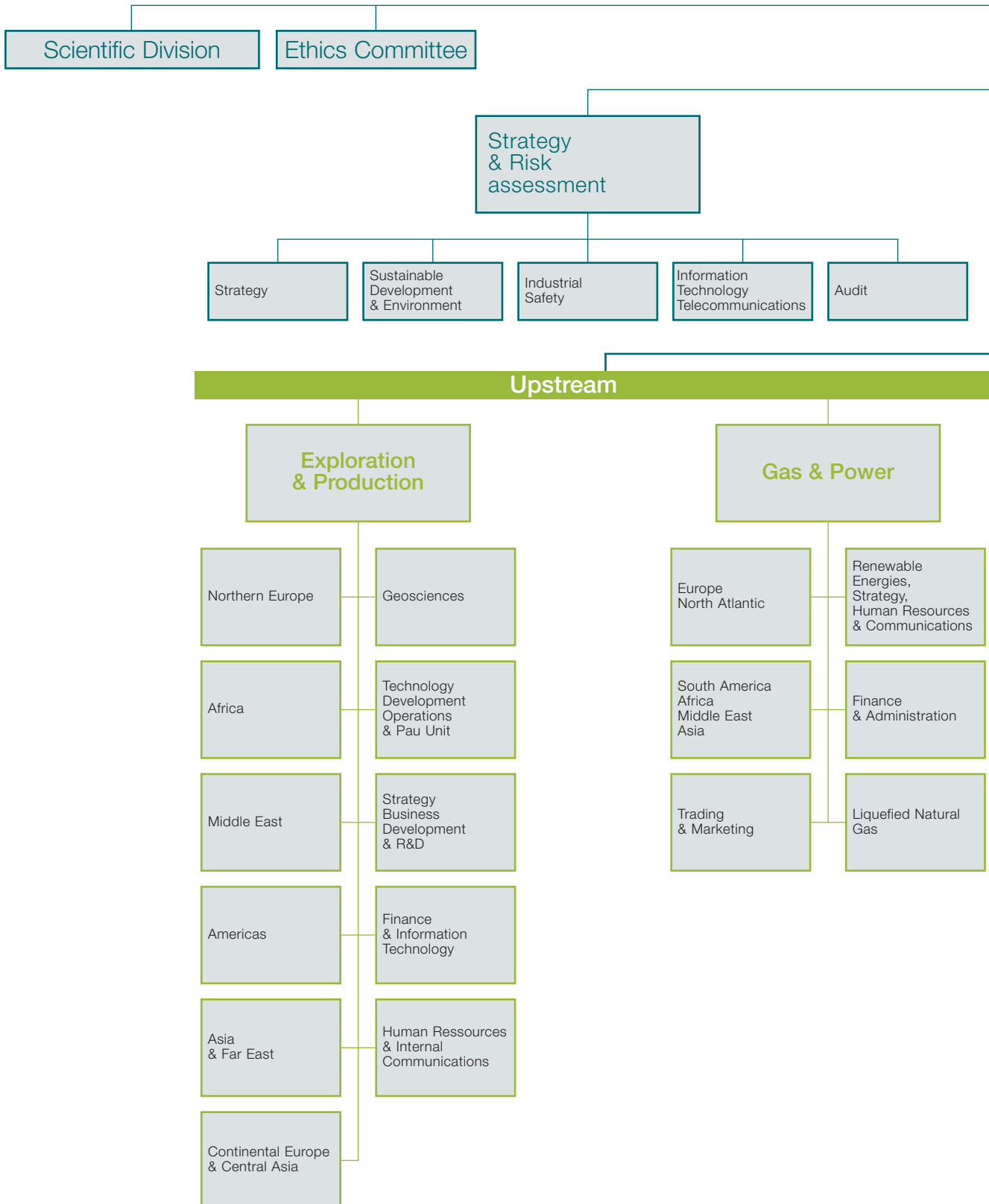
TOTAL'S ACTIVITIES

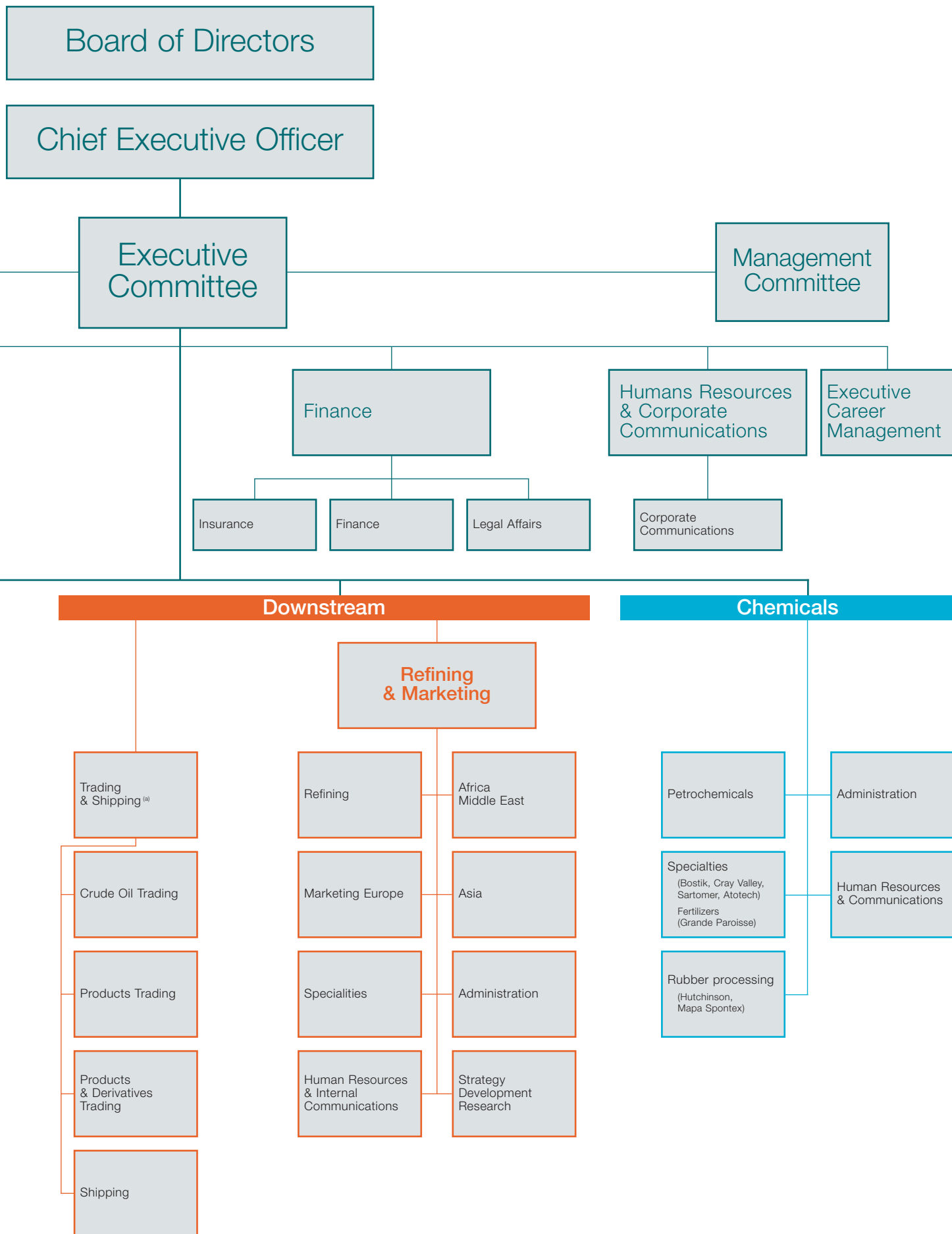
- **The Upstream** segment includes the exploration and production of hydrocarbons, gas, power and other energies activities.
- **The Downstream** segment includes refining and marketing activities along with trading and shipping activities.
- **The Chemical** segment includes Base Chemicals and Specialties.

The Holding Division includes all the usual functional and financial activities as well as the financial interest in Sanofi-Aventis.

ORGANIZATIONAL CHART

February 14, 2007





(a) The Trading & Shipping division reports to the CFO.