Research Report

Company		Ticker Symbol	CUSIP
EXXON MOBIL CORPORATION		XOM	30231G102
Guideline	Meeting Date	Record Date	Date Published
Standard	05/25/16	04/06/16	05/19/16

Meeting Information	
Meeting Type	Annual
Meeting Date	05/25/16
Record Date	04/06/16

Items & Recommendations

We recommend that clients holding shares of EXXON MOBIL CORPORATION vote:

Item	Egan-Jones Recommendation	Management Recommendation
1 – Election of Directors	FOR, WITH EXCEPTION OF Michael J. Boskin, Jay S. Fishman, Samuel J. Palmisano, and William C. Weldon	FOR ALL
2 – Ratification of Auditors	FOR	FOR
3 – Advisory Vote on Executive Compensation	AGAINST	FOR
4 – Shareholder Proposal: Independent Chairman	FOR	AGAINST
5 – Shareholder Proposal: Climate Expert on Board	AGAINST	AGAINST
6 – Shareholder Proposal: Hire an Investment Bank	AGAINST	AGAINST
7 – Shareholder Proposal: Proxy Access Bylaw	FOR	AGAINST
8 – Shareholder Proposal: Report on Compensation for Women	AGAINST	AGAINST
9 – Shareholder Proposal: Report on Lobbying	AGAINST	AGAINST
10 – Shareholder Proposal: Increase Capital Distributions	AGAINST	AGAINST
11 – Shareholder Proposal: Policy to Limit Global Warming to 2°C	AGAINST	AGAINST
12 – Shareholder Proposal: Report on Impacts of Climate Change Policies	FOR	AGAINST
13 – Shareholder Proposal: Report Reserve Replacements in BTUs	AGAINST	AGAINST
14 – Shareholder Proposal: Report on Hydraulic Fracturing	FOR	AGAINST

Considerations and Recommendations

Egan-Jones' review centered on the Proposals in the context of maximizing shareholder value, based on publicly available information.

Board and Compensation Rating Score Summary

Ticker	XOM
Company name	EXXON MOBIL CORPORATION

Board Rating Score

Item	TRUE/FALSE
CEO and Chairman Separate	FALSE
Annual Director Elections	TRUE
One Class of Voting Stock Only	TRUE
Compensation Committee with All Independents	TRUE
Audit Committee with All Independents	TRUE
Nominating Committee with All Independents	TRUE
Non-binding Compensation Vote on Agenda	TRUE
Majority Independent Directors on Board	TRUE
Over-boarded CEO Director	FALSE
Over-boarded Non-CEO Director	FALSE
Major cyber security breach	FALSE
Failure to implement sufficient carbon risk plan	TRUE*
Other financial or operational risk control failure	FALSE
Other serious reputational risk failure by the Board	FALSE
Version	VER 1.02 2/21/2015
Sub Total	60.00
Performance Adjustment	0.00
Total	60.00
Final Board Score	Neutral

Compensation Rating Score

CEO Total Comp ($)	27,297,458
CEO Salary ($)	3,047,000
TSR (%)	-18.4
Market Capitalization ($M)	309,998.5
Wealth Creation ($M)	-56,902.2
Wealth Creation/CEOPAY	-2,084.5
Raw Score (pre adjustments)	Needs Attention
Final Score	Needs Attention
Rating Model Version	VER 2.41 4/1/2016
High CEO Total Compensation	Negative Adjustment
CEO Salary Under $1 Million Limit	No Adjustment
Other Adjustments:	No Adjustment

**We recognize the Company's efforts to address a carbon risk plan in order to minimize the potential effects on climate change. We note, however, that adoption of a more comprehensive carbon risk plan and policy, coupled with implementation, enforcement, independent monitoring, and transparent, comprehensive reporting will assure shareholders of the Company's commitment to address this significant business risk.*

Also, we note that the U.S. Securities and Exchange Commission has ordered ExxonMobil Corp to put a climate change resolution to a shareholder vote at the annual meeting.

Item 1

Election of Directors

There is a single slate of nominees, the nominees appear qualified, however,**the Company earns a compensation score of "Needs Attention," and as such, we recommend that clients "WITHHOLD" votes from the members of the Compensation Committee, namely Independent outside directors Michael J. Boskin, Jay S. Fishman, Samuel J. Palmisano, and William C. Weldon. Egan-**

Jones believes that the Compensation Committee should be held accountable for such a poor rating and should ensure that the Company's compensation policies and procedures are centered on a competitive pay-for-performance culture, strongly aligned with the long-term interest of its shareholders and necessary to attract and retain experienced, highly qualified executives critical to the Company's long-term success and the enhancement of shareholder value.

We note the presence of the key Board committees namely Audit, Compensation, and Nominating/Corporate Governance Committees, comprised solely of Independent outside directors. All incumbent directors, on average, attended approximately 92% of Board and committee meetings during 2015.

DIRECTOR NOMINEES:

Michael J. Boskin

Age 70

Director since 1996

Principal Occupation: T.M. Friedman Professor of Economics and Senior Fellow, Hoover Institution, Stanford University

Business Experience: Dr. Boskin is also a Research Associate, National Bureau of Economic Research. He is Chief Executive Officer and President of Boskin & Co., an economic consulting company.

Current Public Company Directorships: Oracle (April 1994–Present)

Past Public Company Directorships: None

Peter Brabeck-Letmathe

Age 71

Director since 2010

Principal Occupation: Chairman of the Board, Nestlé

Business Experience: Mr. Brabeck-Letmathe was elected Chairman of Nestlé in 2005, Chief Executive Officer in 1997, and relinquished the role of CEO in 2008. He also served as Vice Chairman, Executive Vice President, and Senior Vice President of Nestlé.

Current Public Company Directorships: Nestlé (June 1997–Present); L'Oréal (June 1997–Present)

Past Public Company Directorships: Credit Suisse Group (May 1997–May 2014)

Angela F. Braly

Age 54

Director nominee

Principal Occupation: Former Chairman, President and Chief Executive Officer of WellPoint (now Anthem), a health insurance company

Business Experience: Ms. Braly served as Chairman of WellPoint from 2010 to 2012; President and Chief Executive Officer from 2007 to 2012. She served as Executive Vice President, General Counsel, and Chief Public Affairs Officer of WellPoint from 2005 to 2007, and President and Chief Executive Officer of Blue Cross Blue Shield of Missouri from 2003 to 2005.

Current Public Company Directorships: Brookfield Asset Management (May 2015–Present); Lowe's (November 2013–Present); Procter & Gamble (December 2009–Present)

Past Public Company Directorships: WellPoint (June 2007–August 2012)

Ursula M. Burns

Age 57

Director since 2012

Principal Occupation: Chairman of the Board and Chief Executive Officer, Xerox Corporation

Business Experience: Ms. Burns was elected Chairman of Xerox in 2010, Chief Executive Officer in 2009, and President in 2007. She also served as Senior Vice President, Corporate Strategic Services; and Senior Vice President and President, Document Systems and Solutions Group, and Business Group Operations, at Xerox.

Current Public Company Directorships: Xerox (April 2007–Present); American Express (January 2004–Present)

Past Public Company Directorships: None

Larry R. Faulkner

Age 71

Director since 2008

Principal Occupation: President Emeritus, The University of Texas at Austin

Business Experience: Dr. Faulkner served as President of Houston Endowment from 2006 to 2012 and as President of The University of Texas at Austin from 1998 to 2006. He served on the chemistry faculties of The University of Texas, the University of Illinois, and Harvard University. At the University of Illinois, he also held a number of positions in academic administration including Provost and Vice Chancellor for Academic Affairs.

Current Public Company Directorships: None

Past Public Company Directorships: Temple-Inland (August 2005–February 2012)

Jay S. Fishman

Age 63

Director since 2010

Presiding Director since 2013

Principal Occupation: Executive Chairman of the Board, The Travelers Companies

Business Experience: Mr. Fishman was elected Chairman of The Travelers Companies in 2005, and Chief Executive Officer in 2004 upon the merger of The St. Paul Companies and Travelers Property Casualty Corporation. He relinquished the role of Chief Executive Officer in 2015. From 2001 to 2004, he was Chairman, Chief Executive Officer, and President of The St. Paul Companies.

Current Public Company Directorships: Travelers (October 2001–Present)

Past Public Company Directorships: The Carlyle Group (May 2012–October 2015)

Henrietta H. Fore

Age 67

Director since 2012

Principal Occupation: Chairman of the Board and Chief Executive Officer, Holsman International

Business Experience: Ms. Fore has served as Chairman and Chief Executive Officer of Holsman International since 2009. She served as the Administrator of the U.S. Agency for International Development and Director of U.S. Foreign Assistance from 2007 to 2009. She also served as Under Secretary of State for Management, the Chief Operating Officer for the Department of State, from 2005 to 2007.

Current Public Company Directorships: General Mills (June 2014–Present); Theravance Biopharma (June 2014–Present)

Past Public Company Directorships: Theravance (October 2010–May 2014)

Kenneth C. Frazier

Age 61

Director since 2009

Principal Occupation: Chairman of the Board, President, and Chief Executive Officer, Merck & Co.

Business Experience: Mr. Frazier was elected Chairman and Chief Executive Officer of Merck in 2011, and President in 2010. He was elected Executive Vice President and President, Global Human Health, at Merck in 2007; and Executive Vice President and General Counsel in 2006. He served as Senior Vice President and General Counsel at Merck from 1999 to 2006.

Current Public Company Directorships: Merck (January 2011–Present)

Past Public Company Directorships: None

Douglas R. Oberhelman

Age 63

Director since 2015

Principal Occupation: Chairman and Chief Executive Officer, Caterpillar Inc.

Business Experience: Mr. Oberhelman was elected Chairman and Chief Executive Officer of Caterpillar in 2010. He was elected Group President of Caterpillar in 2002; and Vice President, Engine Products Division in 1998. He also served as Vice President and Chief Financial Officer of Caterpillar from 1995 to 1998.

Current Public Company Directorships: Caterpillar (July 2010–Present)

Past Public Company Directorships: Eli Lilly and Company (December 2008–February 2015)

Samuel J. Palmisano

Age 64

Director since 2006

Principal Occupation: Former Chairman of the Board, IBM

Business Experience: Mr. Palmisano was elected Chairman, President, and Chief Executive Officer of IBM in 2003 and relinquished these roles in 2012. Mr. Palmisano also served as President, Senior Vice President, and Group Executive for IBM's Enterprise Systems Group, IBM Global Services, and IBM's Personal Systems Group.

Current Public Company Directorships: American Express (March 2013– Present)

Past Public Company Directorships: IBM (July 2000–September 2012)

Steven S. Reinemund

Age 68

Director since 2007

Principal Occupation: Executive in Residence, Wake Forest University

Business Experience: Mr. Reinemund served as Dean of Business, Wake Forest University 2008 to 2014; Executive Chairman of the Board of PepsiCo from 2006 to 2007, and retired in 2007; was elected Chief Executive Officer and Chairman of the Board in 2001; President and Chief Operating Officer in 1999; and Director in 1996. He was elected President and CEO of Frito-Lay in 1992 and Pizza Hut in 1986.

Current Public Company Directorships: Marriott (April 2007–Present); Walmart (June 2010–Present)

Past Public Company Directorships: American Express (April 2007–May 2015)

Rex W. Tillerson

Age 64

Chairman and CEO

since 2006

Director since 2004

Principal Occupation: Chairman of the Board and Chief Executive Officer, Exxon Mobil Corporation

Business Experience: Mr. Tillerson was elected Chairman and Chief Executive Officer of ExxonMobil in 2006; President and Director in 2004; and Senior Vice President in 2001. Mr. Tillerson has held a variety of management positions in domestic and foreign operations since joining the Exxon organization in 1975, including President, Exxon Yemen Inc. and Esso Exploration and Production Khorat Inc.; Vice President, Exxon Ventures (CIS) Inc.; President, Exxon Neftegas Limited; and Executive Vice President, ExxonMobil Development Company.

Current Public Company Directorships: None

Past Public Company Directorships: None

William C. Weldon

Age 67

Director since 2013

Principal Occupation: Former Chairman of the Board, Johnson & Johnson

Business Experience: Mr. Weldon was elected Chairman and Chief Executive Officer of Johnson & Johnson in 2002, and relinquished the roles of CEO and Chairman in 2012. He also served as Vice Chairman from 2001 to 2002 and as Worldwide Chairman, Pharmaceuticals Group, from 1998 to 2001.

Current Public Company Directorships: CVS Caremark (March 2013–Present); JPMorgan Chase (March 2005–Present)

Past Public Company Directorships: Chubb (May 2013–January 2016); Johnson & Johnson (February 2001–December 2012)

Darren W. Woods

Age 51

Director since 2016

Principal Occupation: President, Exxon Mobil Corporation

Business Experience: Mr. Woods was elected President and Director of Exxon Mobil Corporation effective January 1, 2016; Senior Vice President in 2014; and Vice President, and President, ExxonMobil Refining & Supply Company in 2012. Mr. Woods has held a number of domestic and international assignments for ExxonMobil Refining & Supply Company, ExxonMobil Chemical Company and Exxon Company International since joining the Exxon organization in 1992, including Vice President of Supply and Transportation; Director of Refining for Europe, Africa and the Middle East for ExxonMobil Refining & Supply Company; and Vice President of ExxonMobil Chemical Company.

Current Public Company Directorships: None

Past Public Company Directorships: Imperial Oil Ltd. (April 2013–July 2014)

KEY COMMITTEE MEMBERSHIPS:

Director	Audit	Compensation	Board Affairs
M.J. Boskin		•	
P. Brabeck-Letmathe	•		
U.M. Burns	•		
L.R. Faulkner	C		
J.S. Fishman		•	
H.H. Fore			•
K.C. Frazier			C
D.R. Oberhelman	•		
S.J. Palmisano		C	•
S.S Reinemund			•
R.W. Tillerson			
W.C. Weldon		•	•

CERTAIN RELATED TRANSACTIONS:

M.W. Albers (Senior Vice President) has a daughter employed by ExxonMobil Global Services Company; R.N. Schleckser (Vice President and Treasurer) has a brother employed by ExxonMobil Refining & Supply Company; S.M. Greenlee (Vice President) has a son employed by ExxonMobil Development Company; and J.J. Woodbury (Vice President – Investor Relations and Secretary) has a son employed by XTO Energy Inc. In each case, the total value of the family member's current annualized compensation (including benefits) exceeds the SEC threshold for disclosure.

	Matters Considered
P. Brabeck-Letmathe	Ordinary course business with Nestlé (purchases of food and nutrition products)
U.M. Burns	Ordinary course business with Xerox (purchases of business process, IT, and document and benefit plan services)
J.S. Fishman	Ordinary course business with Travelers (purchases of insurance products; sales of ExxonMobil commercial paper and term notes)
K.C. Frazier	Ordinary course business with Merck (purchases of pharmaceuticals; sales of chemicals and oils)
D.R. Oberhelman	Ordinary course business with Caterpillar (purchases of license rights, equipment and repair services; sales of lubricants)

Item 2

Ratification of Auditors

While ratification of auditors is one of the most common proposal submitted to shareholders it should not be overlooked. After employing the most qualified directors and CEO, to manage and grow the company, having equally experienced auditors should be next in importance. Reliable auditors are critical to ensure shareholders receive accurate and timely reports of the Company's financial performance.

Exhibit 1 - Audit Fees

	Current Fiscal Year (2015)	Prior Fiscal Year (2014)
Audit Fees	$ 27,900,000	$ 27,300,000
Audit-Related Fees	$ 5,700,000	$ 5,100,000
Non-Audit and Tax Fees	$ 800,000	$ 800,000
Total Fees	$ 34,400,000	$ 33,200,000

Exhibit 2 - Audit Fee Ratios

	Relevant Ratios	Note
Total Fee Increase/Decrease	3.6%	
Non-Audit Related Fees divided by Total Fees (Current FY):	2.3%	Should not be higher than 50%

Board Auditor Choice: **PricewaterhouseCoopers LLP**

PricewaterhouseCoopers LLP is a PCAOB (Public Company Accounting Oversight Board) registered auditor. Public records show that there have been a disciplinary action taken against this firm, however, we do not believe this to be unusual for such a large company with a big number of employees, in most of these cases.

Nevertheless, we do note the 2014 PCAOB order (PCAOB Release No. 105-2014-007) in which the Board censured Randall A. Stone, CPA ("Stone"), Randall A. Stone, age 51, of Austin, Texas, a certified public accountant licensed under the laws of Texas (license no. 047916), imposed a civil money penalty in the amount of $50,000; and barred Stone from being associated with a registered public accounting firm. At all relevant times, Stone was a partner in the Austin, Texas office of PwC was an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). Stone retired from PwC effective June 30, 2014.

This PCAOB order resulted from of its findings concerning Stone's violations of PCAOB rules and auditing standards in connection with (1) the audit of the consolidated financial statements of ArthroCare Corporation ("ArthroCare" or "Company") for the fiscal year ended December 31, 2007, and (2) the consent to incorporate by reference the fiscal year 2007 audit report in a Form S-8 Registration Statement filed by ArthroCare with the United States Securities and Exchange Commission ("Commission" or "SEC") in June 2008.

While we are concerned about the above issues in the disciplinary record of this auditor, we do not believe that they have risen to the level that this auditor's integrity, professionalism or independence is in question. **We recommend a vote “FOR” this Proposal.**

Item 3

Advisory Vote on Executive Compensation

At Egan-Jones Proxy Services we review a number of factors, both qualitative and quantitative in nature, before issuing a recommendation regarding the advisory vote on executive compensation. These include total CEO compensation, company performance, and any past issues with compensation.

The sum total of our quantitative look at compensation can be found in the compensation corporate governance grade we give this company. Generally and absent other negative factors, we suggest a score of "Good" or higher in compensation merits a positive "say-on-pay" vote. This Company has earned a grade of "Needs Attention" in compensation and thus, has failed to pass our quantitative tests.

Our qualitative review of this Company’s compensation has identified one minor issue: the CEO's salary at $3,047,000 exceeds the $1 million dollar deducibility limit imposed by section 162m for salaries and non-qualified incentive payments. Failure to abide by IRS 162m rules results in loss of deductibility for the compensation in question and possibly increased and unnecessary tax payments. While this issue is not sufficient to trigger a negative vote alone, it does impact the Company’s overall compensation score, we would recommend the board investigate and consider alternative means of compensation for the CEO and any other 162m covered NEOs who exceed this limit in the future.

This advisory vote is not binding. Although non-binding, the Compensation Committee will consider the outcome of the advisory vote when making future decisions regarding the executive compensation programs.

We note, however, after taking into account both the quantitative and qualitative measures outlined above, we believe that shareholders cannot support the current compensation policies put in place by the Company’s directors. Furthermore, we believe that the Company’s compensation policies and procedures are not effective or strongly aligned with the long-term interest of its shareholders. **Therefore, we recommend a vote "AGAINST" this Proposal.**

**See scoring details on the top of the report.*

Item 4

Shareholder Proposal: Independent Chairman

The shareholders are being asked to act on a proposal that requests the Board of Directors of ExxonMobil to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, be an independent member of the Board. This policy should be phased in for the next CEO transition. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Since the occurrence of the financial crisis, the clamor for independent chairman proposals has is usually formulated either as a proposal to separate the roles of CEO and chair or as a proposal that the chairman be an independent director. Lehman Brothers and Bear Stearns used to have a combined chairman and CEO post, a fact which has led to criticism of the dual role.

It has been a prevalent practice for large companies to have the CEO and chair positions combined. According to Spencer Stuart (http://www.corpgov.deloitte.com/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/USEng/Documents/Nominating-Corporate%20Governance%20Committee/Board%20Composition%20and%20Recruitment/SpencerStuartBI%202013_04Nov2013-lowres.pdf) , in 2013, 25% of S&P 500 boards have a truly independent chair, a non-executive director or a former executive director, compared with 16% five years ago – a proof that splitting the dual role has become a business trend since the mid-2000's. This reflects the views of certain shareholders that having the CEO or any top executive serve as chairman could be detrimental to the whole board's independence. The CEO's main role is to manage the company, with the board serving as a lookout to the management. As a result, the chairman, being the one who runs the board, should be accountable to the shareholders. When the two roles are combined, there is a possibility of lack of independent oversight and minimal accountability in the board room that could put a company's long-term health and profitability and the interests of shareholders at risk.

On the contrary, many companies believe that having an independent chairman is not a one-size-fits-all approach. Opponents of the proposal argue that there is no solid evidence that link a higher shareholder return with having an independent chair. As a matter of fact, this shareholder proposal failed to win majority support at large companies. For example, Walt Disney has split the chairman/CEO roles in 2005, but in 2012, it recombined the roles. In 2013, Disney shareholders rejected a proposal to separate the roles with a 65% "against" vote. Also, JPMorgan Chase CEO Jamie Dimon gained shareholder support to remain as chairman, against a proposal to split the roles after the bank has posted the "London Whale" trading loss. Also, the decision to maintain a combined Chair/CEO role or have an independent chairman should be also based on the specific circumstances of a corporation, the independence of its directors, and the leadership provided by its CEO. Moreover, proponents should take into account the current leadership structure and governance practices of a company which include but is not limited to the following:

· Having a Lead Independent Director

· Majority of the board is comprised of independent directors

· Independent directors comprise the key board committees

· Independent directors meet frequently in executive sessions that are presided over by the Lead Independent Director with no members of management present.

We believe that there is an inherent potential conflict, in having an Inside director serve as the Chairman of the board. Consequently, we prefer that companies separate the roles of the Chairman and CEO and that the Chairman be independent to further ensure board independence and accountability. **We recommend a vote "FOR" this Proposal.**

Item 5

Shareholder Proposal: Climate Expert on Board

The shareholders are being asked to act on a proposal that requests that, as elected board directors' terms of office expire, the Exxon Mobil Corporation's Board's Nominating Committee nominate for Board election at least one candidate who:

· has a high level of climate change expertise and experience in environmental matters relevant to hydrocarbon exploration and production, related risks, and alternative, renewable energy sources and is widely recognized in the business and environmental communities as such, as reasonably determined by ExxonMobil's Board, and

· will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the board, as an independent director.*

** a director shall not be considered 'independent' if, during the last three years, she or he –*

· was, or is affiliated with a company that was an advisor or consultant to the Company;

· was employed by or had a personal service contract(s) with the Company or its senior management;

· was affiliated with a company or non-profit entity that received the greater of $2 million or 2% of its gross annual revenues from the Company;

· had a business relationship with the Company worth at least $100,000 annually;

· has been employed by a public company at which an executive officer of the Company serves as a director;

· had a relationship of the sorts described herein with any affiliate of the Company; and

· was a spouse, parent, child, sibling or in-law of any person described above.

ExxonMobil's current process, as reflected in its Guidelines for the Selection of Non-Employee Directors, requires director candidates to have a breadth of experience and demonstrated expertise in managing large, relatively complex organizations and be accustomed to dealing with complex situations with worldwide scope.

The Board must possess the capabilities to address the full range of business risks, from financial to social to environmental, including climate risk. In doing so, the Board leverages subject matter experts, both internally and externally, to share the latest science, analysis, and insights.

Because each director must possess a breadth of expertise and experience, setting aside a seat for an environmental specialist or other single-issue candidate who lacks other important attributes would, in the Board's view, not be in the best interests of the Company or its shareholders because it would dilute the breadth needed by all directors to make informed decisions for the Company. Board members have fiduciary duties to the Company's shareholders which require them to be informed on multiple issues and work together with other Board members to make decisions on a collaborative basis.

The Board is comprised of members with the credentials, proficiencies, and experience that enable the Board to effectively address climate-related issues. Board members hold nine science and engineering degrees and have relevant experience and leadership in a range of environmental matters, such as water, alternative energies, energy conservation, global climate issue management, and environmental innovation. Further, the Board has access to environmental and climate expertise via periodic briefings by Company professionals whose primary expertise is in the area of environmental management and stewardship. This includes sharing external perspectives on the status of science, research and development, and public policy.

The Company's core value to 'Protect Tomorrow, Today' serves as a foundation for sound environmental management. The Operations Integrity Management System is an effective and proven framework that aligns the environmental priorities with the Company's business objectives, and has brought about improved environmental performance for many years.

We believe that approval of this proposal is unwarranted and is not in the best interests of the Company and its shareholders.**We recommend a vote "AGAINST" this Proposal.**

Item 6

Shareholder Proposal: Hire an Investment Bank

The shareholders are being asked to act on a proposal that requests to hire an investment bank to explore the sale of the Company. This would include a sale by dividing the company into major pieces to facilitate such a sale.

ExxonMobil pursues business strategies that maximize long-term shareholder value. The Company also manages its assets and business segments with a focus on profitability to ensure that acceptable financial performance is achieved. This asset management discipline includes considering the sale of assets or businesses when such divestments yield the highest value for shareholders. This financial discipline has led to the sale of over $45 billion of assets and businesses over the past 10 years.

On an ongoing basis, ExxonMobil considers a wide range of strategies and business structures, as a fundamental responsibility of the Corporation's management.

Since the Exxon-Mobil merger, the Company has returned $357 billion to shareholders through dividends and share purchases, which is greater than the market capitalization of 496 of the S&P 500 companies. This has been done in a sustainable manner without having to dismantle the Company or undermine its business model, and has rewarded long-term shareholders with returns in excess of the S&P 500.

Given the foregoing, we believe that approval of this proposal is not in the best interests of the Company and its shareholders**We recommend a vote "AGAINST" this Proposal.**

Item 7

Shareholder Proposal: Proxy Access Bylaw

The shareholders are being asked to act on a proposal that requests the board of directors (the "Board") to adopt, and present for shareholder approval, a ‘proxy access’ bylaw. Such a bylaw shall require the Company to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or group (the “Nominator”) that meets the criteria established below. The Company shall allow shareholders to vote on such nominee on the Company’s proxy card. The number of shareholder-nominated candidates appearing in proxy materials shall not exceed one quarter of the directors then serving. This bylaw, which shall supplement existing rights under Company bylaws, should provide that a Nominator must:

a) have beneficially owned 3% or more of the Company’s outstanding common stock continuously for at least three years before submitting the nomination;

b) give the Company, within the time period identified in its bylaws, written notice of the information required by the bylaws and any Securities and Exchange Commission rules about (i) the nominee, including consent to being named in the proxy materials and to serving as director if elected; and (ii) the Nominator, including proof it owns the required shares (the “Disclosure”); and

c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator’s communications with the Company shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than the Company’s proxy materials; and

d) to the best of its knowledge, the required shares were acquired in the ordinary course of business and not to change or influence control at the Company.

The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee (the “Statement”). The Board shall adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and applicable federal regulations, and the priority to be given to multiple nominations exceeding the one-quarter limit.

Proxy access allows defined shareholders to nominate their own director candidates against those nominated by the company. The original proxy access rule under the Dodd-Frank Act (Rule 14a-11) was struck down by a federal court in 2011. Subsequently, the SEC lifted its suspension of Rule 14a-8, which allowed for proxy access on a company-by-company basis (also known as “private ordering”).

Advocates of proxy access believe that because the board of directors serves as the representatives of shareholders, shareholders should have the right to nominate their own representatives. Critics of proxy access believe that a change in the rules would make it easier for activist investors and special interests to gain access to the board. If the board is “co-opted,” it could make decisions that favor the interests of one shareholder or stakeholder group over another and hurt the competitive advantage of the company.

Proponents of proxy access argue that some modest competition in the director election process is desirable, and that giving larger investors more influence in the director election process would benefit all shareholders. Opponents of proxy access argue that it would shift a dangerous amount of power to certain kinds of shareholders (for example, union pension funds) who could pursue objectives counter to shareholder value maximization, and that proxy access might deter some well-qualified directors from serving on corporate boards.

We believe that the proposal warrants shareholder approval. We believe that because the board of directors serves as the representatives of shareholders, shareholders should have the right to nominate their own representatives. **As such, we recommend a vote “FOR” this Proposal.**

Item 8

Shareholder Proposal: Report on Compensation for Women

The shareholders are being asked to act on a proposal that in order to improve transparency regarding compensation earned by female employees relative to their male peers, ExxonMobil will annually report to shareholders the percentage of female employees in each of ten equally-sized fractions of its workforce by total compensation, namely, the lowest 10% by total compensation and so on, continuing with each increasingly compensated group, up through the tenth and final group that includes the 10% of employees who receive the highest total compensation.

An equal employment opportunity for Women is an important matter for shareholders, employees and management, especially as the workforce becomes more diverse. Workplace discrimination has created a significant problem for shareholders due to the high cost of lawsuit and loss of government contracts. Such lawsuit also damages corporate images.

The Corporate Citizenship Report (CCR), published by the Company on an annual basis, includes detailed information on the workforce demographics and provides additional information on the comprehensive diversity and inclusion efforts.

Key headlines from the 2015 CCR:

- 28 percent of the worldwide workforce are women.
- Over the last 10 years, 40 percent of management and professional new hires were women.
- Within the executive employee population, which represents the top 2.4 percent of the Company’s worldwide workforce, 17 percent

are women. This represents an increase of 50 percent over the past decade.

· This increase is a result of continued focus on early identification and focused development of high-performing female employees. Notably, 29 percent of the early career stage executive employees worldwide are women.

· The Company's commitment extends to the support of organizations that aim to expand women's economic opportunities as well as bolster women in science and engineering.

The Company believes that a focus on all aspects of the development path supported by a consistently applied compensation program will continue to result in a strong and diverse pool of highly qualified talent. The Company views the metrics that are disclosed in its *Corporate Citizenship Report* to be more meaningful to shareholders as they better represent the development model.

We believe that the approval of this shareholder proposal is not advisable and is not in the best interests of the shareholders.**As such, we recommend a vote "AGAINST" this Proposal.**

Item 9

Shareholder Proposal: Report on Lobbying

The shareholders are being asked to act on a proposal that requests the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2. Payments by ExxonMobil used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. ExxonMobil's membership in and payments to any tax-exempt organization that writes and endorses model legislation.

4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a 'grassroots lobbying communication' is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. 'Indirect lobbying' is lobbying engaged in by a trade association or other organization of which ExxonMobil is a member.

Both 'direct and indirect lobbying' and 'grassroots lobbying communications' include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on ExxonMobil's website.

The lobbying disclosure initiative is a natural extension of ongoing shareholder efforts seeking greater corporate political spending transparency and accountability. Specifically, enhanced lobbying disclosure will enable shareholders to better evaluate whether a company's lobbying expenditures and actions advance the company's interests and do not present risks to company value. (AFSCME Employees Pension Plan, 2014).

Shareholders encourage transparency and accountability in the company's use of corporate funds to influence legislation and regulation. Some companies do not disclose its memberships in, payments to, trade associations, or the portions of such amounts used for lobbying. Absent a system of accountability, company assets could be used for objectives contrary to the Company's long-term interests.

We believe that it is in the best interests of the Company and the stockholders to belong to industry associations and coalitions, where the Company benefits from the general business, technical, and industry standard-setting expertise these organizations provide. We furthermore believe that the proposal seeks unnecessary line-item disclosure of lobbying expenditures. We believe that the requested report is unnecessary and would require expenditures and the use of Company resources without providing any meaningful benefit to the shareholders. **As such, we recommend a vote "AGAINST" this Proposal.**

Item 10

Shareholder Proposal: Increase Capital Distributions

The shareholders are being asked to act on a proposal that requests, on an advisory basis, a proposal that ExxonMobil commit to increasing the total amount authorized for capital distributions (summing dividends and share buybacks) to shareholders as a prudent use of investor capital in light of the climate change related risks of stranded carbon assets.

ExxonMobil published the report, Energy and Carbon – Managing the Risks, to address questions raised on the topic of global energy demand and supply, climate change policy and carbon asset risks. This report further described how the Company integrates consideration of climate change risks into planning processes and investment evaluation. The Board is confident that the Company's robust planning and investment processes adequately contemplate and address climate change related risks.

Each year, the Company updates its long-term energy demand projection in its Outlook for Energy – taking into account the most up-to-date demographic, economic, technological, and climate policy information available. This analysis serves as a foundation for its long-term business strategies and investments, and is generally consistent with other forecasting organizations such as the International Energy Agency. The Company's Outlook by no means represents a "business as usual" case and it includes a significant reduction in projected energy use and greenhouse gas (GHG) emissions due to energy efficiency initiatives. Because the Company assumes policy action will become increasingly more stringent over time, its Outlook projects lower future energy-related CO2 emissions through 2040 than would be implied by a "no policy scenario" where limited GHG reduction policies and regulations are implemented.

From 2000 through 2015, the Company returned $357 billion of value to shareholders through dividend payments and share purchases, which reduced outstanding shares by 40 percent. ExxonMobil remains committed to a reliable and growing dividend, which has been increased 33 consecutive years. Despite a nearly 40 percent drop in crude prices in 2015, the dividend was increased by 5.8 percent and $3 billion of stock was repurchased, further enhancing the underlying value of all remaining shares and demonstrating the resiliency of its integrated business model. This value was delivered to shareholders while maintaining a robust capital investment program.

ExxonMobil is committed to disciplined investing in attractive opportunities across normal fluctuations in business cycles. Projects are evaluated under a wide range of possible economic conditions and commodity prices that are reasonably likely to occur. The Company does not publish the economic bases upon which the Company evaluates investments due to competitive considerations; however, it applies prudent and substantial safety margins in its planning assumptions to help ensure robust returns.

The Company also stress tests its oil and natural gas capital investment opportunities, which provides an added margin of safety against uncertainties, such as those related to technology, regulation/legislation, costs, geopolitics, availability of required materials, services, and labor. Such stress testing differs from alternative scenario planning, which the Company does not develop, but stress tests provide the Company an opportunity to fully consider a wide range of market conditions in the planning and investment process.

The Company addresses the potential for future climate-related policy, including the potential for restriction on emissions, through the use of a proxy cost of carbon. The proxy cost seeks to reasonably reflect the types of actions and policies that governments may take over the outlook period relating to the exploration, development, production, transportation or use of carbon-based fuels. This proxy cost of carbon is embedded in its Outlook for Energy, and has been a feature of the report since 2007. All business segments are required to include, where appropriate, an estimate of the costs associated with greenhouse gas emissions in their economics when seeking funding for capital investments.

The scale and integrated nature of the operating cash flows along with prudent cash management provide unmatched financial strength, enabling the Company to invest in attractive projects throughout the business cycle.

A key strategy to ensure investment selectivity under a wide range of economic assumptions is to maintain a diverse portfolio of oil, gas, and petrochemical investment opportunities. This diversity, in terms of resource type and corresponding development options (oil, gas, natural gas liquids, onshore, offshore, deepwater, conventional, unconventional, liquefied natural gas) and geographic dispersion, is unparalleled in the industry.

We believe that the foregoing factors have positioned ExxonMobil consistently as an industry leader in return on capital employed and underpin its ability to continue leading shareholder distributions and maintain a long-term investment program that creates significant shareholder value. **We recommend a vote "AGAINST" this Proposal.**

Item 11

Shareholder Proposal: Policy to Limit Global Warming to 2°C

The shareholders are being asked to act on a proposal that requests the Board of Directors to adopt a policy acknowledging the imperative to limit global average temperature increases to 2°C above pre-industrial levels, which includes committing the Company to support the goal of limiting warming to less than 2°C.

ExxonMobil takes the risks of global climate change seriously and believes these risks warrant thoughtful action. The long-term objective of climate change policy should be to reduce the risks of serious harm to humanity and ecosystems at minimum societal cost, while recognizing additional shared humanitarian necessities, including providing reliable and affordable energy to improve global living standards.

The Board believes the Company has an obligation to shareholders to continue to invest in economically attractive energy sources in an environmentally responsible manner. The Board further believes the Company's capabilities are best utilized finding practical, achievable solutions to address climate change risks consistent with the Company's mandate, rather than focusing on a future global temperature stabilization outcome that ultimately will be dictated by many variables beyond the Company's control.

Recognizing that reducing greenhouse gas emissions across the global economy is a shared objective, the Company remains focused on finding practical, prudent, and affordable solutions to address the dual challenge of expanding energy supplies to support economic growth, improve living standards, alleviate poverty, and improve resilience while simultaneously addressing the societal and environmental risks posed by rising greenhouse gas emissions and climate change.

Through effective solutions, progress can and has been made. For example, according to the U.S. Energy Information Agency, CO2 emissions in the U.S. power sector are down 15 percent since 2005, with 60 percent of this reduction reflecting the benefit of shifting from coal to natural gas. Also, per the U.S. Environmental Protection Agency, net methane emissions from natural gas have fallen 38 percent since 2005, during which time U.S. natural gas production has increased by 26 percent. Looking forward, the Company believes more progress will be made in the development of low greenhouse gas emissions technology, such as advanced carbon capture and sequestration (CCS).

As the policy and regulatory landscape has continued to develop, the Company has proactively addressed this global challenge. The Company has long taken action by increasing energy efficiency and reducing greenhouse gas emissions in its operations, providing products that help consumers reduce their emissions, supporting research into technology breakthroughs, and participating in constructive dialogue on policy options with non-governmental organizations, industry, and policy makers.

Each year, the Company updates its long-term energy demand projection in the Outlook for Energy – taking into account the most up-to-date demographic, economic, technological, and climate policy information available. This analysis serves as a foundation for the Company's long-term business strategies and investments, and is generally consistent with other forecasting organizations such as the International Energy Agency. The Company's Outlook by no means represents a "business as usual" case and it includes a significant reduction in projected energy use and GHG emissions due to energy efficiency initiatives. Because the Company assumes policy action will become increasingly more stringent over time, the Company's Outlook projects lower future energy-related CO2 emissions through 2040 than would be implied by a 'no policy scenario' where limited GHG reduction policies and regulations are implemented.

ExxonMobil believes that effective policies to address climate change should put a price on greenhouse gas emissions that will:

- Promote global participation;
- Ensure a uniform and predictable cost of greenhouse gas emissions across the economy;
- Let market prices drive the selection of solutions;
- Minimize regulatory complexity and administrative costs;
- Maximize transparency; and
- Provide flexibility for future adjustments in response to scientific developments and the economic consequences of climate policies.

ExxonMobil has for many years held the view that a revenue-neutral carbon tax is the best option to fulfill these key principles. Instead of subsidies and mandates that distort markets, stifle innovation, and needlessly raise energy costs, a carbon tax could help create the conditions to reduce greenhouse gas emissions in a way that spurs new efficiency and technology solutions at the lowest cost to society and consumers.

We believe that approval of this proposal is not in the best interests of the Company and its shareholders.**We recommend a vote "AGAINST" this Proposal.**

Item 12

Shareholder Proposal: Report on Impacts of Climate Change Policies

The shareholders are being asked to act on a proposal that requests that by 2017 ExxonMobil publish an annual assessment of long term portfolio impacts of public climate change policies, at reasonable cost and omitting proprietary information. The assessment can be incorporated into existing reporting and should analyze the impacts on ExxonMobil's oil and gas reserves and resources under a scenario in which reduction in demand results from carbon restrictions and related rules or commitments adopted by governments consistent with the globally agreed upon 2 degree target. The reporting should assess the resilience of the company's full portfolio of reserves and resources through 2040 and beyond and address the financial risks associated with such a scenario.

Recognizing the severe and pervasive economic and societal risks associated with a warming climate, global governments have agreed that increases in global temperature should be held below 2 degrees Celsius from pre-industrial levels (Cancun Agreement). Pursuant to the Durban Platform, 184 parties submitted plans to reduce greenhouse gas emissions in advance of the 21st Conference of the Parties. In November 2014 the United States and China agreed to policy and regulatory actions to reduce greenhouse gas emissions and re-affirmed and expanded those actions in September 2015.

ExxonMobil recognized in its 2014 10-K that 'a number of countries have adopted, or are considering adoption of, regulatory frameworks to reduce greenhouse gas emissions,' and that such policies, regulations, and actions could make its 'products more expensive, lengthen project implementation timelines and reduce demand for hydrocarbons,' but ExxonMobil has not presented any analysis of how its portfolio performs under a 2 degree scenario.

In response to a previous shareholder resolution regarding Carbon Asset Risk, ExxonMobil asserted 'that an artificial capping of carbon-based fuels to levels in the 'low carbon scenario' [such as IEA 450ppm] is highly unlikely' and did not test its portfolio against a 2 degree scenario.

However, ExxonMobil's peers, Shell, BP, and Statoil have recognized the importance of assessing the impacts of these scenarios by endorsing the 'Strategic Resilience for 2035 and beyond' resolutions that received almost unanimous investor support in 2015. BHP Billiton now publishes a 'Climate Change: Portfolio Analysis' evaluating its assets against 2 degree scenarios, and ConocoPhillips states that it stress tests its portfolio against 2 degree scenarios. More recently, ten major oil and gas companies have announced that they will support the implementation of clear stable policy frameworks consistent with a 2 degree future.

This resolution aims to ensure that ExxonMobil fully evaluates and mitigates risks to the viability of its assets as a result of public climate change policies, including in a 2 degrees scenario.

We believe that approval of this proposal is in the best interests of the Company and its shareholders.**We recommend a vote "FOR" this Proposal.**

Item 13

Shareholder Proposal: Report Reserve Replacements in BTUs

The shareholders are being asked to act on a proposal that requests that by February 2017 and annually thereafter in a publication such as its annual or Corporate Social Responsibility report, Exxon quantify and report to shareholders its reserve replacements in British Thermal Units, by resource category, to assist the Company in responding appropriately to climate change induced market changes. Such reporting shall be in addition to reserve reporting required by the Securities and Exchange Commission, and should encompass all energy resources produced by the company.

The current practice of reporting annual reserves replacement on an Oil-Equivalent Basis is the industry standard and compliant with the requirements of the Securities and Exchange Commission. Supplementing that statutory reporting with a BTU-based equivalent would not fundamentally provide the investment community with additional information nor influence investment choices. Importantly, the Company's success as measured by the stock market is not, as the proposal suggests, driven by reserve replacement, but primarily by financial performance over a period consistent with investment horizons.

ExxonMobil executives are not compensated on the basis of a reserves replacement ratio. As detailed in the Executive Compensation Overview (ECO) and the Proxy Statement, the Compensation Committee assesses ExxonMobil's leadership position in seven key areas in determining the appropriateness of total compensation. These seven metrics include Safety and Operations Integrity, Return on Average Capital Employed, Strategic Initiatives, Free Cash Flow, Shareholder Distributions, Total Shareholder Return and Project Execution. The ECO demonstrates how outstanding performance is required in all seven of these areas to result in a top award.

ExxonMobil's long-term Outlook for Energy (exxonmobil.com/energyoutlook) is updated annually to reflect global economic and demographic trends as well as emerging technologies and policies that will impact energy supply and demand. As in past years, the Outlook continues to assume governments will place significant costs on greenhouse gas (GHG) emissions. The Outlook also anticipates that even with substantial gains in efficiency, and strong growth in nuclear and modern renewable energy supplies, demand for oil will continue to rise through 2040, driven by developing nations. Credible third-party outlooks, including those developed by the International Energy Agency (IEA) and the U.S. Department of Energy, share this view. Also consistent with the Outlook, the IEA sees natural gas growing more than any other energy type through 2040, reflecting its ability to meet a wide variety of needs and provide one of the most cost-effective ways to reduce GHG emissions. The rising use of natural gas is a key factor in the Outlook's view that by 2040 the carbon intensity of the global economy is likely to fall by half.

The Company addresses the potential for future climate change policy, including the potential for restrictions on emissions, by estimating a proxy cost of carbon. This cost, which in some geographies may approach $80 per ton by 2040, has been included in the Outlook since 2007. This approach seeks to reflect potential policies governments may employ related to the exploration, development, production, transportation or use of carbon-based fuels. The Company requires all of its business lines to include, where appropriate, an estimate of GHG-related emissions costs in their economics when seeking funding for capital investments.

ExxonMobil monitors the business environment, including long-term supply and demand fundamentals. The Company is structured to capture shareholder value throughout the commodity price cycle and is well positioned for the future. Moving to a system that accounts for reserves in energy units will not enhance ExxonMobil's ability to create shareholder value.

We believe that approval of this proposal is unwarranted and is not in the best interests of the Company and its shareholders.**We recommend a vote "AGAINST" this Proposal.**

Item 14

Shareholder Proposal: Report on Hydraulic Fracturing

The shareholders are being asked to act on a proposal that requests the Board of Directors to report to shareholders, using quantitative indicators, by December 31, 2016, and annually thereafter, the results of company policies and practices above and beyond regulatory requirements, to minimize the adverse environmental and community impacts from the company's hydraulic fracturing operations associated with shale formations. Such report should be prepared at reasonable cost, omitting confidential information.

Natural gas development has unfolded rapidly. Through hydraulic fracturing, new natural source of energy supply can develop. Hydraulic fracturing operations involve pumping water, sand and chemicals underground to release gas from rock formations. Because natural gas is the cleanest burning fossil fuel, very few pollutants are emitted to the atmosphere. Thus, natural gas development is often a preferred energy option to coal or oil.

It is necessary and a great challenge for companies to evaluate business risks and rewards. The Companies should manage to protect investor interests and concerns while enhancing their corporate image in the community. Long-term shareholder value is at risk as leaks, spills, industrial accidents, poor air quality, and community impacts from hydraulic fracturing operations raise regulatory, reputational, and legal issues. Operations of companies should center on better environmental management practices that maximize business rewards resulting to lower costs, increase profits and enhance community acceptance. In addition, governments have existing agencies that issue regulations on explorations to ensure the protection of the environment and the community.

We believe that transparency is important for evaluating risks and ensuring that investors and stakeholders have adequate information necessary to make informed decisions. **Accordingly, we recommend a vote “FOR” this Proposal.**

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