

## **Lobbying Expenditures Disclosure - Climate 2018 – Exxon Mobil Corporation**

**WHEREAS**, we believe in full disclosure of ExxonMobil's direct and indirect lobbying activities and expenditures to assess whether ExxonMobil's lobbying is consistent with its expressed goals and in the best interests of shareholders.

Resolved, the shareholders of ExxonMobil request 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.

Supporting Statement: We encourage transparency and accountability in ExxonMobil's use of corporate funds to influence legislation and regulation. Since 2010, ExxonMobil has spent over \$94 million on federal lobbying. These figures do not include lobbying expenditures to influence legislation in states, where ExxonMobil also lobbies in 33 states ("Amid Federal Gridlock, Lobbying Rises in the States," Center for Public Integrity, February 11, 2016), but disclosure is uneven or absent. For example, ExxonMobil has spent over \$3.6 million lobbying in California since 2010, and its lobbying on California's cap and trade bill attracted media attention ("Businesses Spent Millions Lobbying Before Cap-and-Trade Vote," E&E News, July 26, 2017).

ExxonMobil is a member of the American Petroleum Institute (API), Business Roundtable and National Association of Manufacturers, which together spent over \$74 million on lobbying for 2015 and 2016. ExxonMobil does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. We are concerned that ExxonMobil's lack of trade association lobbying disclosure presents reputational risks. For example, API and ExxonMobil have drawn scrutiny for lobbying against

stricter benzene regulation ("Oil Companies Leaking Benzene Lobbied against Pollution Rules," International Business Times, September 6, 2017).

And ExxonMobil is a member of the American Legislative Exchange Council (ALEC), and its ALEC membership has drawn media focus ("Exxon Continued Paying Millions to Climate-Change Deniers under Rex Tillerson," Buffington Post, January 9, 2017). Over 100 companies have publicly left ALEC, including BP, ConocoPhillips and Shell.