

Lobbying Expenditures Disclosure - Climate 2019 – 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. Description of management's and the Board's decision making process and oversight for making payments described 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 in ExxonMobil's use of funds to lobby. ExxonMobil spent \$99.43 million from 2010 – 2017 on federal lobbying. These figures do not include state lobbying expenditures, where ExxonMobil also lobbies but disclosure is uneven or absent. For example, ExxonMobil spent \$3,860,715 on lobbying in California from 2010 – 2017. Exxon also lobbies abroad, reportedly spending between €3.75m and €4m on lobbying in Brussels for 2017 ("Revealed: ExxonMobil's Private Dinner with Cyprus' Top EU Brass," EU Observer, August 12, 2018).

We commend ExxonMobil for ending its membership in the American Legislative Exchange Council ("Exxon Mobil Joins Exodus of Firms from Lobbying Group ALEC," Reuters, July 12, 2018). However, serious disclosure concerns remain. ExxonMobil belongs to the American Petroleum Institute, Business Roundtable (BRT), Chamber of Commerce and National Association of Manufacturers (NAM), which altogether spent \$260,410,014 on lobbying for 2016 and 2017. Both the BRT and NAM are lobbying against shareholder rights to file resolutions. 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 lobbying disclosure presents reputational risks when its lobbying contradicts company public positions. For example, ExxonMobil supports the Paris climate agreement, yet was named one of the top three global corporations lobbying against effective climate policy, ("When Corporations Take Credit for Green Deeds Their Lobbying May Tell Another Story," The Conversation, July 17, 2018), and the Chamber undermined the Paris climate accord ("Paris Pullout Pits Chamber against Some of Its Biggest Members," Bloomberg, June 9, 2017). As shareholders, we believe that companies should ensure there is alignment between their own positions and their lobbying, including through trade associations.