

Independent Director with Climate Change Expertise

2017 – Exxon Mobil Corporation

Increasingly, recognized climate change expertise at board levels is being acknowledged as critical to the success of U.S.-based companies. This applies especially for ExxonMobil whose fossil-fuel dependency is a key contributor to climate change.

In May, 2016 CalPERS (California Public Employees' Retirement System)—manager of pension and health benefits for more than 1.6 million California public employees, retirees and their families--updated its Global Governance Principles to state that, "at a minimum, director attributes should include expertise . . . and experience in climate change risk management strategies" with oversight at the board level (<https://www.calpers.ca.gov/docs/board-agendas/201603/invest/item05a-02.pdf>).

In its "Climate Change Risk Oversight Framework for Directors" (03.14.16) State Street Global Advisors made the recommendation applicable to ExxonMobil that "companies in high risk sectors should assess board composition and director expertise in relation to climate competence of the board" (<https://www.ssga.com/investment-topics/environmental-social-governance/2016/Climate-Change-Risk-Oversight-Framework-For-Directors.pdf>).

The B Team (a global nonprofit initiative co-founded by Sir Richard Branson and Jochen Zeitz that brings together global leaders from business, civil society and government for the wellbeing of people and the planet).is calling for climate competence not just for one Director as does this resolution, but for entire Boards of Directors "for transitioning to a net-zero GHG economy, avoiding a more extreme global climate crisis" which enables "the private sector to drive and benefit from the largest economic opportunity since the industrial revolution" (<https://issuu.com/the-bteam/docs/climate-competents-board-brief-nov->).

For years some shareholders concerned about ExxonMobil's approach to climate change have been denied direct, formal access to the independent members of its Board on matters of critical concern regarding climate change. Yet, as of the submission to the Company of this shareholder resolution only one of its Board members had any expertise in science and that was in chemistry.

THEREFORE, RESOLVED, shareholders request 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.

Supporting Statement: Echoing the goals of CalPERS and State Street Global Advisors, the proponents of this resolution believe ExxonMobil's Board of Directors would benefit immensely by addressing the impact of climate change on its business at every level by electing to its Board independent specialists versed in all business aspects of climate change. Noting State Streets' call for support for resolutions that advance a company's financial and business interests, we believe adding climate competence to the board protects shareholder interests and our company's bottom line. Consequently we ask you to support this resolution.