

EXXON MOBIL CORP  
Form DEFA14A  
May 14, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a)**

**of the Securities Exchange Act of 1934**

**(Amendment No.    )**

Filed by the Registrant

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**EXXON MOBIL CORPORATION**

**(Name of Registrant as Specified In Its Charter)**

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Audio Webcast  
May 14, 2015  
9:30 a.m. CT  
Before  
you  
cast  
your  
vote  
on  
Management  
Resolution  
Item  
3

Advisory  
Vote  
to  
Approve

Executive  
Compensation

please  
review

the  
Executive

Compensation Overview, as well as the more detailed information  
included in the Compensation Discussion and Analysis, compensation  
tables, and narrative in ExxonMobil's 2015 Proxy Statement.

1

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Good morning and welcome to today's webinar to discuss ExxonMobil's executive compensation program.

This webinar is part of a broad shareholder outreach effort at the direction of the Compensation Committee of the Board of Directors.

Randy and I would like to thank you for the opportunity to discuss this important topic and we appreciate you taking the time to join us this morning.

We expect our prepared comments to take about 40 minutes, leaving the balance of our time today for questions and answers. We encourage you to submit your questions via the Internet at any time during the session.

Before you cast your vote on Management Resolution *Item 3 – Advisory Vote to Approve Executive Compensation*, please review the Compensation Overview, as well as the more detailed information included in the Compensation Discussion and Analysis, compensation tables and narrative in ExxonMobil's 2015 Proxy Statement.

2  
Reported  
Pay  
is  
Total  
Compensation  
reported  
in  
the  
Summary  
Compensation  
Table,  
except  
for  
years  
2006  
to  
2008,

where  
the  
grant  
date  
value  
of  
restricted  
stock  
as  
provided under current SEC rules is used to put all years of compensation on the same basis.  
Realized  
Pay  
is  
compensation  
actually  
received  
by  
the  
CEO  
during  
the  
year,  
including  
salary,  
current  
bonus,  
payouts  
of  
previously  
granted  
Earnings  
Bonus  
Units  
(EBU),  
net  
spread  
on  
stock  
option  
exercises,  
market  
value  
at  
vesting  
of  
previously  
granted  
stock-based  
awards,  
and



All  
Other  
Compensation  
amounts  
realized  
during  
the  
year.

It  
excludes  
unvested  
grants,  
change  
in  
pension  
value,  
and  
other  
amounts  
that  
will  
not  
actually  
be  
received  
until  
a  
future  
date.

Amounts  
for  
other  
companies  
include  
salary,  
bonus,  
payouts  
of  
non-equity  
incentive  
plan  
compensation,  
and

All  
Other  
Compensation  
as  
reported  
in  
the

Summary  
Compensation  
Table,  
plus  
value  
realized  
on  
option  
exercise  
or  
stock  
vesting  
as  
reported  
in  
the  
Option  
Exercises  
and  
Stock  
Vested  
table.  
It  
excludes  
unvested  
grants,  
change  
in  
pension  
value,  
and  
other  
amounts  
that  
will  
not  
actually  
be  
received  
until  
a  
future  
date,  
as  
well  
as  
any  
retirement-related  
payouts  
from

pension  
or  
nonqualified  
compensation  
plans.  
Unrealized  
Pay  
is  
calculated  
on  
a  
different  
basis  
from  
the  
grant  
date  
fair  
value  
of  
awards  
used  
in  
the  
Summary  
Compensation  
Table.  
Unrealized  
Pay  
includes  
the  
value  
based  
on  
each  
compensation  
benchmark  
company's  
closing  
stock  
price  
at  
fiscal  
year-end  
2013  
of  
unvested  
restricted  
stock  
awards;

unvested  
long-term  
share  
and  
cash  
performance  
awards,  
valued  
at  
target  
levels;  
and  
the  
in  
the  
money  
value  
of  
unexercised  
stock  
options  
(both  
vested  
and  
unvested).  
If  
a  
CEO  
retired  
during  
the  
period,  
outstanding  
equity  
is  
included  
assuming  
that  
unvested  
awards,  
as  
of  
the  
retirement  
date,  
continued  
to  
vest  
pursuant  
to

the  
original  
terms  
of  
the  
award.  
Compensation  
Benchmark  
Companies  
consist  
of  
AT&T,  
Boeing,  
Caterpillar,  
Chevron,  
Ford,  
General  
Electric,  
IBM,  
Johnson  
&  
Johnson,  
Pfizer,  
Procter  
&  
Gamble,  
United  
Technologies,  
and  
Verizon.  
For  
consistency,  
CEO  
compensation  
is  
based  
on  
compensation  
as  
disclosed  
in  
the  
Summary  
Compensation  
Table  
of  
the  
proxy  
statements  
as

of  
April 15, 2015.  
Please  
also  
read  
the  
footnotes  
contained  
throughout  
the  
Executive  
Compensation  
Overview  
for  
additional  
definitions  
of  
terms  
we  
use  
and  
other  
important  
information.  
See  
also  
the  
Factors  
Affecting  
Future  
Results  
and  
Frequently  
Used  
Terms  
available  
through  
the  
Investors  
page  
of  
our  
website  
at  
[www.exxonmobil.com](http://www.exxonmobil.com).  
Statements  
regarding  
future  
events  
or

conditions  
are  
forward-looking  
statements.  
Actual  
future  
results,  
including  
project  
plans,  
schedules,  
and  
results,  
as  
well  
as  
the  
impact  
of  
compensation  
incentives,  
could  
differ  
materially  
due  
to  
changes  
in  
oil  
and  
gas  
prices  
and  
other  
factors  
affecting  
our  
industry,  
technical  
or  
operating  
conditions,  
and  
other  
factors  
described  
under  
the  
heading  
Factors

Affecting  
Future  
Results  
in  
our  
most  
recent  
Form  
10-K.  
The  
term  
project  
can  
refer  
to  
a  
variety  
of  
different  
activities  
and  
does  
not  
necessarily  
have  
the  
same  
meaning  
as  
in  
any  
government  
payment  
transparency  
reports.

Cautionary Statement and Definitions

Cautionary Statement and Definitions



2

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I would particularly call your attention to the definitions of certain compensation-related terms on Slide 2, which differ in some compensation totals reported in the proxy statement tables. We will be discussing these terms in more detail in today's webinar.

You may also refer to the Investors section of our website, [www.exxonmobil.com](http://www.exxonmobil.com), for additional information as well as definitions and operating terms that we will use today.

9:30am  
Shareholder  
Engagement

.....

Jeff  
Woodbury  
Agenda  
Agenda  
Vice President, Investor Relations and Secretary  
Key Focus Areas  
Basis for Compensation Decisions  
Financial and Operating Performance  
Strategic Business Results  
Long-Term Business Performance  
CEO  
Compensation

.....

Randy

Powers,  
Manager,  
Compensation,  
Benefit  
Plans  
and  
Policies  
Annual Bonus Program  
Equity Incentive Program  
Determination of Equity Award Levels  
Vesting Periods that Far Exceed Most Industries  
ExxonMobil Program vs. Formula-Based Pay

10:10am

10:30am

3

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We will begin our review with a quick recap of our shareholder engagement in 2014 and the business performance for this period on the basis of compensation decisions made by the board Compensation Committee.

The balance of the review will focus on how the compensation program is carefully designed to support our business and incentivize management to achieve long-term, sustainable growth in shareholder value.

In response to shareholders' feedback, we have included new information in this year's disclosure regarding how the Compensation Committee determined the level of share grant in our long-term incentive program for the senior executives, including the CEO.

We will also address the suggestion from some shareholders that ExxonMobil consider a formula-based methodology based on performance versus the industry.

We will have time for questions and answers at the end of this session.

4  
2014 Shareholder Engagement  
2014 Shareholder Engagement  
Say-On-Pay Results: 89.8 percent For  
Multiple conference calls with institutional shareholders preceding shareholder meeting  
Webcast on May 14, 2014, available to all shareholders  
Executive  
Compensation  
Overview  
brochure  
issued  
to  
all  
shareholders

4

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Ongoing shareholder engagement is a high priority for ExxonMobil and the Compensation Committee of the Board of Directors. We are committed to engagement between shareholders and the Company to fully understand diverse viewpoints on the topic of executive compensation and to ensure shareholder understanding of ExxonMobil's executive compensation program.

The Committee has carefully considered the results of the 2014 advisory vote in which almost 90 percent of votes cast supported the Pay resolution.

The Compensation Discussion and Analysis (CD&A) and Executive Compensation Overview describe our exchange with shareholders both before and after the vote on executive compensation.

This expansive dialogue provided an excellent opportunity to exchange perspectives and improve understanding.

A summary of shareholder engagement specifically on ExxonMobil's executive compensation program is described on this slide.

5  
Key Focus Areas  
Key Focus Areas  
Level  
of  
Stock  
Awards:  
New  
illustration  
of  
how  
the  
Compensation  
Committee  
determined  
the  
CEO s  
stock-based

award  
level  
Stock  
Holding  
Requirement:  
Vesting  
periods  
of  
up  
to  
10  
years  
or  
longer  
require  
that  
executives  
hold  
their  
equity  
compensation  
through  
commodity  
price  
cycles  
Annual  
Bonus:  
Formula  
linked  
to  
annual  
earnings,  
consistently  
applied  
for  
13  
years;  
individual  
awards  
determined  
and  
differentiated  
based  
on  
performance  
CEO s  
Combined  
Realized  
and  
Unrealized



Pay:  
Market  
orientation  
at  
the  
39th percentile

No  
Contracts:  
No  
employment  
contracts,  
severance  
agreements,  
or  
change-in-control  
arrangements

Common  
Programs:  
All  
U.S.  
executives,  
more  
than  
1,000  
including  
the  
CEO,  
participate  
in  
common  
programs  
(the  
same  
salary,  
incentive,  
and  
retirement  
programs)

5

Before you cast your vote on Management Resolution *Item 3 Advisory Vote to Approve Executive Compensation* for 2015, here are the headlines of our compensation program to consider.

These focus areas were based on shareholder's feedback and requests for additional information. We will be reviewing specifically and elaborate on these key points during this webinar.

We have added a new section to illustrate how the Compensation Committee determined the level of the CEO's stock-based awards.

**Determination of Equity Award Levels** - this section illustrates that award levels range from zero to the maximum level dependent on company and the executive perform with respect to the performance measures.

**ExxonMobil Vesting Methodology:** Half of the stock-based grants require 10 years or longer to vest and that results in vesting periods that are more than three times longer than those of industry group and compensation benchmark companies. In fact, you will see that the CEO's awards have a vesting period of 15 years. These uniquely long vesting periods sharply raise the risk profile of the stock awards, including the risk that until awards vest, relative to more traditional formula-based programs that pay out in three years. This inability to monetize equity early results in executives experiencing the impact of commodity price cycles much like the experience of long-term shareholders.

The annual bonus program formula is linked to annual earnings and has been consistently applied for 13 years. Half of the annual bonus is delayed to strengthen alignment with sustainable growth in shareholder value and allow for forfeiture in the event of executive detrimental activity. Individual awards are determined and differentiated using a method similar to individual stock-based awards.

In the last few years, the media and others have reported that ExxonMobil's CEO is at the 100th percentile versus comparator companies' reported pay. However, we believe a more accurate description is illustrated in this year's disclosure. We have conducted a detailed analysis using combined realized and unrealized pay that shows a market orientation at the 39th percentile in 2014 (was 41st percentile in 2013). Also, our senior executives do not have employment contracts, severance agreements, or change-in-control arrangements; and, all U.S. executives, more than 1,000 including the CEO, participate in common programs (the same salary, incentive, and retirement plans).

Basis for Compensation  
Decisions

6

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We often get asked about the basis of the Compensation Committee's assessment of the CEO's performance. In the next few slides, we will share the metrics and the business results that the Committee reviews. It is a rigorous assessment that looks at both the short-term business performance as well as strategic business results.

7

Earnings of \$32.5 billion in 2014 compared with \$32.6 billion in

2013. Five-year annual

average of \$36.3 billion in earnings

Distributed \$23.6 billion to shareholders in dividends and share

purchases in 2014, for a

distribution yield of 5.4 percent. Distributed \$342 billion in dividends and share purchases

since the beginning of 2000. Dividends per share increased for the 32nd consecutive year

Industry-leading return on average capital employed (ROCE) of 16.2 percent, with a five-

year average of 21 percent

Strong environmental results and best-ever safety performance supported by effective risk

management

Financial and Operating Performance

Financial and Operating Performance

For more information concerning ROCE, see pages 44 and 45 of the *Summary Annual Report* included with the 2015 Proxy Statement

7

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The Compensation Committee links the short-term incentive compensation to key short-term financial and operating performance. The 2014 results reflect our focus on the fundamentals and the strength of our integrated businesses amid global economic challenges, uncertainties, and price volatility.

We delivered industry-leading earnings of \$32.5 billion in 2014, compared with \$32.6 billion in 2013. Over the last five years, we averaged almost \$36.3 billion in earnings. Total shareholder distributions were \$23.6 billion. Dividends per share increased for the 10th consecutive year.

We also maintained an industry-leading return on average capital employed of 16.2 percent.

Key to sustainability and maintaining our license to operate, we achieved strong environmental results and best-ever safety performance supported by effective risk management.

8

Strategic Business Results

Strategic Business Results

Downstream

Commissioned the Clean Fuels Project at our joint venture refinery in Saudi Arabia

Completed a lube basestock expansion in Singapore and a lubricant plant expansion in Tianjin, China

Chemical

Started construction of a major expansion at our Texas facilities, including a new world-scale ethane steam cracker and polyethylene lines

Progressed construction of a 400-thousand-tonnes-per-year specialty elastomers project in Saudi Arabia with our joint venture partner

Started construction on a new 230-thousand-tonnes-per-year specialty polymers plant in

Singapore

Upstream

Increased proved reserves by 1.5 billion oil-equivalent barrels

Completed eight major projects with working interest production capacity of more than 250 thousand oil-equivalent barrels per day

Initiated commissioning activities at the Kearl Expansion in Canada and Banyu Urip in Indonesia

Successfully drilled the first ExxonMobil-Rosneft Joint Venture Kara Sea exploration well in the Russian Arctic

Progressed a large and diverse portfolio of LNG opportunities in North America, Australia, and Africa



8

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Another key performance criterion underlying the compensation decisions made by our Compensation Committee in 2014 was achieved on several long-term strategic priorities. These accomplishments, outlined on Slide 8, are expected to have a positive Company performance for decades, potentially generating significant shareholder value.

9  
Long-Term Business Performance  
Long-Term Business Performance  
(1)  
Employees  
and  
contractors.  
Includes  
XTO  
Energy  
Inc.  
data  
beginning  
in  
2011.  
(2)  
Workforce  
safety

data  
from  
participating  
American  
Petroleum  
Institute  
companies  
(2014  
industry  
data  
not  
available  
at  
time  
of  
publication).  
(3)  
Competitor  
data  
estimated  
on  
a  
consistent  
basis  
with  
ExxonMobil  
and  
based  
on  
public  
information.  
For  
more  
information  
concerning  
ROCE,  
see  
pages  
44  
and  
45  
of  
the  
Summary  
Annual  
Report  
included  
with  
the  
2015

Proxy  
Statement.

Safety is a core value for ExxonMobil, and nothing  
receives more attention from management.

ExxonMobil's  
proven  
business  
model  
delivers industry-  
leading  
ROCE.

Best-ever  
performance  
in  
2014.

Safety  
results  
are  
a  
leading  
indicator  
of  
business  
performance.

Disciplined  
investments  
through  
the  
business  
cycle  
position  
the  
Company  
for  
long-term  
performance.

Strength  
of  
integrated  
portfolio,  
project  
management,  
and  
technology  
application.

9

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In 2014, our workforce safety performance for both employees and contractors continued to improve and remained strong in the

ExxonMobil's return on average capital employed continued to lead our competitors. In 2014, ExxonMobil's ROCE of 16.2 percent was more than 5 percentage points higher than our nearest competitor. Over the past five years, ROCE averaged 21 percent, again about 5 percentage points higher than the nearest competitor. In a later Chart, Randy will examine our ROCE performance over much longer time periods, which illustrates consistent out-performance.

10  
(4)  
Competitor  
data  
estimated  
on  
a  
consistent  
basis  
with  
ExxonMobil  
and  
based  
on  
public  
information.  
BP  
excludes

impact  
of  
GOM  
spill  
and  
TNK-BP  
divestment.  
For  
more  
information  
on  
Free  
Cash  
Flow,  
see  
page  
45  
of  
the  
Summary  
Annual  
Report  
included  
with  
the  
2015  
Proxy  
Statement.  
(5)  
Competitor  
data  
estimated  
on  
a  
consistent  
basis  
with  
ExxonMobil  
and  
based  
on  
public  
information.  
Total  
shareholder  
distributions  
divided  
by  
market  
capitalization.

Shareholder  
distributions  
consist  
of  
cash  
dividends  
and  
share  
buybacks.

For  
more  
information,  
see  
page  
45

of  
the  
Summary  
Annual  
Report  
included  
with  
the  
2015  
Proxy  
Statement.

Long-Term Business Performance  
Long-Term Business Performance  
ExxonMobil's

superior  
cash  
flow  
preserves  
capacity  
for  
investments  
and  
shareholder  
distributions.  
ExxonMobil  
maintains  
industry-leading  
shareholder  
distributions  
through  
the  
business  
cycle.

Generated



\$117  
billion  
of  
free  
cash  
flow  
since  
beginning  
of  
2010.

Reflects  
strong  
business  
performance  
and  
disciplined  
capital  
allocation  
approach.

Dividends  
per  
share  
up  
10  
percent  
per  
year  
over  
past  
10  
years.

Distributed  
46  
cents  
of  
every  
dollar  
from  
operating  
cash  
flow  
and  
asset  
sales  
generated  
from  
2010

to  
2014.

10

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Another measure of the value created by the business through strong financial and operating performance is the free cash flow fully funding attractive investment opportunities.

Free cash flow grew significantly, reflecting strong business performance as well as slightly lower Capex. The business generated \$10 billion of free cash flow in 2014, up more than \$7 billion from 2013. This growth reflects our financial and operating performance and disciplined capital allocation approach.

Over the past five years, ExxonMobil generated \$117 billion of free cash flow, which supported our growing and reliable dividend and industry-leading shareholder distributions.

As you can see on Chart 4, our shareholder distributions led the industry over the last five years. ExxonMobil distributed \$23.5 billion to shareholders in 2014 through dividends and share buybacks for a total cash distribution yield of 5.4 percent.

We continue to grow our dividend, with 2014 marking the 32nd consecutive year with a dividend increase. Further, dividends grew 55 percent over the last five years. On average, \$0.46 of every dollar generated by the business over the last five years has been distributed to our shareholders, which is almost double our nearest competitor.

11  
(6)  
Annualized  
returns  
assuming  
dividends  
are  
reinvested  
when  
paid.  
(7)  
BP,  
Chevron,  
Royal  
Dutch  
Shell,  
and  
Total

weighted  
by  
market  
capitalization.  
Shareholder  
return  
data  
for  
Total  
available  
from  
1992.

(8)  
AT&T,  
Boeing,  
Caterpillar,  
Chevron,  
Ford,  
General  
Electric,  
IBM,  
Johnson  
&  
Johnson,  
Pfizer,  
Procter  
&  
Gamble,  
United  
Technologies,  
and  
Verizon  
weighted  
by  
market  
capitalization.

Long-Term Business Performance  
Long-Term Business Performance  
ExxonMobil  
leads  
the  
industry  
in  
total  
shareholder  
return  
(TSR)  
in  
all  
performance

periods.  
ExxonMobil  
generated  
superior  
returns  
through  
a  
range  
of  
economic  
environments  
and  
business  
cycles.

The  
most  
relevant  
TSR  
comparison  
is  
across  
companies  
in  
the  
same  
industry  
of  
comparable  
size  
and  
scale.

11

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The most relevant Total Shareholder Return or TSR comparison is across companies in the same industry of comparable size and market capitalization. ExxonMobil leads the industry in TSR in all performance periods shown, ranging from one to 30 years.

Chart 6 shows that ExxonMobil generated superior returns through a range of economic environments and cycles, including superior performance through the financial crisis.

CEO Compensation



12

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I will now turn it over to Randy who will take you through the highlights of the CEO compensation.

13  
Reported Pay  
Reported Pay  
(1)  
Interest  
rate  
changes:  
from  
3.5%  
for  
2011  
to  
2.5%  
for  
2012;  
to  
3.5%  
for

2013;

to

3.0%

for

2014.

(2)

In

2013,

the

change

in

pension

value

was

negative

(-\$6.24

million),

but

under

SEC

reporting

rules,

a

negative

change

in

pension

value

must

be

shown

in

the

Summary

Pay granted to ExxonMobil

CEO in 2014 increased less

than 1 percent versus 2013

and 4 percent versus 2012,

while the stock grant price

increased about 1 percent and

9 percent respectively.

Primary

cause

of

fluctuating

pension

accrual

is

change

in  
the  
applicable  
interest  
rates.

Actual  
pension  
value  
realized  
will  
be  
dependent  
on  
salary,  
bonus,  
and  
interest  
rate  
at  
retirement.  
Compensation  
Table  
as  
zero.

13

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Thank you, Jeff.

Chart 7 shows the Summary Compensation Table (SCT) reported pay for 2012 to 2014.

As shown in the Chart, almost all of the 2014 increase in reported pay is due to a valuation change in pension for accrual purposes. Pension will be realized only at retirement, with final value paid out dependent on salary, bonus, and the interest rate at that time.

In addition, almost two-thirds of the CEO compensation granted by the Compensation Committee and reported in the SCT for 2014 was in the form of a long-term equity award.

The CEO will not actually receive the stock for many years in the future, and until such time the award remains at risk of forfeiture.

As such, looking at reported pay in isolation is not the most complete way to view or compare compensation across a group of executives.

For this reason, we started disclosing realized pay of the CEO in our proxy and received positive feedback from you, our shareholders, on the additional perspective it brought.

14  
Realized Pay vs. Reported Pay  
Realized Pay vs. Reported Pay  
(3)  
Reported  
pay  
values  
shown  
correspond  
to  
the  
companies  
with  
the  
highest,  
median,  
and  
lowest

realized

pay

values.

\*Exercised

last

stock

options

granted

in

2001

that

would

have

expired

in

2011.

No

stock

options

granted

since

2001.

ExxonMobil

CEO s

realized

pay

averaged

46

percent

of

reported

pay

over

his tenure.

ExxonMobil

CEO s

realized

pay

ranked

8th

among

the

compensation

benchmark

companies.

The

median

of

the

benchmark  
companies  
is  
almost  
\$21  
million  
and  
the  
highest  
is  
almost  
\$81  
million.



14

\*\*\*

\*\*\*

Realized pay is compensation actually received by the CEO during the year. It includes salary, current bonus, payouts of pro-rated Earnings Bonus Units (EBU), net spread on stock option exercises, market value at vesting of previously granted stock-based awards, and Other Compensation amounts realized during the year.

Amounts for other companies include salary, bonus, payouts of non-equity incentive plan compensation, and All Other Compensation reported in the SCT, plus value realized on option exercise or stock vesting as reported in the Option Exercises and Stock Vesting. It excludes unvested grants, change in pension value, and other amounts that will not actually be received until a future date, as well as any retirement-related payouts from pension or nonqualified compensation plans. We will, however, include these values in a separate chart.

Chart 8 shows the history of realized pay compared to reported pay for the CEO's tenure.

ExxonMobil CEO's realized compensation averaged 46 percent of reported pay over nine year period shown, which is the percentage that has been in the role.

2011 is a higher percentage as that was the year the CEO exercised his last stock options that were granted in 2001 that would have expired in 2011. No stock options have been granted since 2001.

Chart 9, which has been updated to include 2014 data, puts in perspective why relying solely on reported pay from the SCT to compare CEO's compensation relative to our benchmark companies may not result in the right conclusions.

Realized pay can differ significantly from reported pay for companies that grant stock options and/or have formula-based pay with various payout factors.

ExxonMobil CEO's realized pay ranked 8 of 13 among the compensation benchmark companies versus 2 of 13 for reported pay. The benchmark companies' realized pay median is almost \$21 million and the high is almost \$81 million.

15  
Realized Pay and Unrealized Pay  
Realized Pay and Unrealized Pay  
Nonqualified  
deferred  
compensation  
as  
reported  
for  
some  
benchmark  
companies  
may  
include  
executive  
contributions.  
ExxonMobil  
CEO s

realized  
pay  
is  
below  
the  
median  
of  
the  
compensation  
benchmark  
companies  
for  
most  
of  
his  
tenure.

ExxonMobil  
CEO s  
combined  
realized  
and  
unrealized  
pay  
is  
at  
the  
39th  
percentile  
of  
the  
compensation  
benchmark  
companies.

\*  
39  
percent  
of  
ExxonMobil  
CEO s  
realized  
pay  
in  
2011  
was  
from  
the  
exercise  
of  
stock  
options

that  
were  
granted  
in  
2001  
and  
would  
have  
expired  
in  
2011.

No  
stock  
options  
have  
been  
granted  
since  
2001.

With  
pension  
value  
and  
nonqualified  
deferred  
compensation  
included,  
the  
orientation  
is  
between  
the  
38th  
and  
74th  
percentiles,  
depending  
on  
the  
method  
of  
quantifying  
pension  
values.

15

The Charts on this slide have also been updated with data through 2014 and included in the April 21, 2015 supplemental disclosure.

Chart 10 compares ExxonMobil CEO's realized pay versus our compensation benchmark companies during the nine years in the role. ExxonMobil CEO's realized pay is below the median for most of his tenure.

In response to shareholder feedback, Chart 11 was developed to add the value of unrealized pay granted to the realized pay analysis. Chart 11 illustrates that ExxonMobil CEO's aggregate realized and unrealized granted pay is at the 39th percentile for the full tenure of the current CEO has been in the role through 2014.

For this purpose, unrealized pay means the current value not the grant date value used for reporting in the SCT of outstanding restricted stock and stock-based incentive awards as well as the current market value of unexercised in the money stock options granted during 2014. Award values are based on target levels of formula awards and fiscal year-end 2014 stock prices.

Depending on how pension values for the 2006 to 2014 period are determined, including pension value and nonqualified deferred compensation together with the realized pay and unrealized award values shown above would place the ExxonMobil CEO between the 38th and 74th percentile of the compensation benchmark companies.

This analysis clarifies the inaccuracy of reports by the media in the last few years that ExxonMobil CEO was the highest paid CEO of the benchmark companies.

**Additional Information:**

ExxonMobil CEO would rank at the 38th percentile if pension and nonqualified deferred compensation values are based on nine years of pension service (nine years represents the time in position of the current ExxonMobil CEO through 2014). For comparison, one CEO during this period, the pension and nonqualified deferred compensation values for both paid and accumulated amounts are weighted by the tenure of the respective individual in the CEO position. Pension values are as reported in the Pension table and nonqualified deferred compensation values are as reported in the requisite table and may include executive contributions as well as company contributions. ExxonMobil CEO would rank at the 74th percentile if pension value is simply calculated by aggregating the positive and negative change in Pension Value column of the SCT for the covered period.

16  
Scale and Scope of ExxonMobil  
Scale and Scope of ExxonMobil  
(4)  
Financial  
data  
estimated  
based  
on  
public  
information.  
Market  
capitalization  
is  
as  
of  
December  
31,

2014.

(5)

Trailing  
twelve  
months  
(TTM);  
excludes  
excise  
taxes  
and  
other  
sales-based  
taxes,  
if  
applicable.

(6)

Excludes  
General  
Electric  
due  
to  
lack  
of  
comparability  
resulting  
from  
how  
assets  
are  
quantified  
and  
reported  
for  
its  
financial  
business.

(7)

Trailing  
twelve  
months  
(TTM).

Size  
and  
complexity  
of  
ExxonMobil  
are  
considered  
among

several  
factors

The Compensation Committee  
places the most emphasis on  
individual performance and  
business results in determining  
compensation levels.



16

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The CEO compensation charts are not adjusted for the substantial differences in scale and scope between ExxonMobil and the benchmark companies.

Chart 12 puts in perspective the scale and scope of ExxonMobil versus our compensation benchmark companies.

In determining compensation levels, the Compensation Committee places the most emphasis on individual performance and bu

However, the Committee also believes that the compensation program should recognize that our senior executives are responsible for managing a larger investment on behalf of shareholders relative to that of most other large, publicly traded companies. Size and ExxonMobil are considered among several factors.

ExxonMobil  
Incentive Program

17

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We now turn to the design of our incentive program.

18  
Annual Bonus Program  
Annual Bonus Program  
Bonus Program Formula

\*

The  
purpose  
of  
the  
two-thirds  
adjustment  
is  
to  
mitigate  
the  
impact  
of  
commodity

price  
swings  
on  
short-term  
earnings  
performance.  
Performance

Factors  
that  
Determine  
Annual  
Bonus

The bonus program is determined by  
annual earnings.

The bonus program differentiates for  
individual performance; similar to how  
equity awards are differentiated.

Half of the annual bonus is delayed until  
cumulative  
earnings

per  
share  
(EPS)

reach  
a specified level, further aligning the  
interests of executives with sustainable  
long-term growth in shareholder value.

The  
annual  
bonus  
is  
subject  
to  
recoupment  
in

the case of a material negative restatement of  
ExxonMobil's financial or operating results.

The  
bonus  
program  
formula  
has  
been  
applied  
consistently  
in  
each  
of  
the  
last

13  
years,  
including  
years  
in  
which  
earnings  
declined.

18

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Since 2002, the annual bonus program for more than 1,700 executives worldwide, including the CEO, has been determined based on the percentage change in projected net income according to the formula shown.

The net income (earnings) performance is tempered (two-thirds x earnings percent change) to mitigate the impact of commodity price volatility on short-term earnings performance.

As shown in Chart 13, the bonus program formula has been consistently applied in each of the last 13 years, including years in which earnings declined. The red line on Chart 13 shows the annual percentage change in earnings and the blue line is the annual change in the bonus program.

In addition to earnings performance being the basis for the size of the bonus program, there are other performance factors that are considered. Actual individual bonus awards are differentiated based on individual performance assessment and pay grade through a methodology that determines how the level of individual stock-based awards are determined and differentiated by performance. We will review this methodology periodically. The Compensation Committee awarded the CEO the same bonus award as 2013, consistent with 2014 earnings performance versus target. The bonus is intentionally a small portion of the CEO's total compensation (11 percent in 2014) to reflect the Compensation Committee's emphasis on long-term compensation.

Half of the annual bonus is delayed until cumulative earnings per share (EPS) reach a specified level, further aligning the interests of the CEO with sustainable long-term growth in shareholder value. The EPS threshold has been raised over the years, from \$3.00 per unit in 2014. The purpose of this delay is to strengthen our forfeiture flexibility.

The annual bonus is subject to recoupment in the case of a material negative restatement of ExxonMobil's financial or operating performance.

We benchmark the bonus program, along with all other compensation, to ensure alignment with the market.

Additional Information:

The annual bonus for the CEO decreased 20 percent in 2013 corresponding to a 27-percent decrease in 2013 corporate earnings. However, though TSR increased to 20.1 percent in 2013.

19

ExxonMobil Equity Program

ExxonMobil Equity Program

The Committee grants a top category award to the CEO only if the Company leads on key metrics over periods of time comparable to the investment lead times of the business.

Within this framework, the Compensation Committee determined that the CEO continues to demonstrate performance represented by the top category in the award matrix based on the strategic initiatives and performance metrics.

Performance

Assessment

Process

The performance of each executive is



assessed annually through a well-defined process.

Applies to the CEO and over 1,700 other executives worldwide across multiple business lines and staff functions.

Performance assessments are distributed across five quintiles with an average assessment of about the 50th percentile.

Each performance quintile corresponds to an award level. The award levels are widely differentiated between the highest and lowest performers at each pay grade.

19

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During the 2014 proxy season, several shareholders requested more detail on how the level of individual stock-based awards is

We added a new section titled *Determination of Equity Award Levels* in our disclosure that more clearly delineates the several metrics utilized by the Compensation Committee in assessing performance and illustrates how it translates into individual stock levels.

It first starts with the performance assessment process. The performance of each executive is assessed annually through a well- process.

This annual performance assessment process applies to the CEO and over 1,700 other executives worldwide across multiple business staff functions.

These performance assessments are distributed across five quintiles with an average assessment of about the 50th percentile and levels are widely differentiated between the highest and lowest performers at each pay grade.

The Committee grants a top category award to the CEO only if the Company leads on these measures over periods of time commensurate with investment lead times of the business.

d

20  
Determination of Equity Award Levels  
Determination of Equity Award Levels  
(1)  
Competitor  
data  
estimated  
on  
a  
consistent  
basis  
with  
ExxonMobil  
and  
based  
on  
public  
information.

For  
more  
information  
concerning  
ROCE,  
see  
pages  
44  
and  
45  
of  
the  
Summary  
Annual  
Report  
included  
with  
the  
2015  
Proxy  
Statement.  
(2)  
BP,  
Chevron,  
Royal  
Dutch  
Shell,  
and  
Total.  
Data  
for  
Total  
1999  
through  
2014  
only.

20

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Chart 14 illustrates the performance metrics considered and how stock-based award levels are differentiated. Each performance metric corresponds to an award level.

The award levels are widely differentiated by performance and range from zero to the maximum level depending on how the CEO and other executive perform with respect to the seven measures.

The Compensation Committee considered the Company's performance on these performance measures and strategic business units covered in the earlier slides as well as Chart 15, Example of Performance Assessment - 10-Year Average ROCE, shown on the slide at an overall assessment. While not explicitly mentioned in Chart 14, the results in the areas of corporate governance, diversity and inclusion, and other factors pertinent to the sustainable growth in shareholder value are also considered to arrive at an overall assessment. The size and complexity of the business and the CEO's experience are also factors.

Business Results & Basis for Compensation Decisions - section on pages 2-3 and Chart 15 on page 7 of the Overview.

Within this framework and based on the results mentioned, the Compensation Committee determined that the CEO continues to demonstrate performance represented by the top category in the award matrix.

The Committee does not use narrow, quantitative formulas in determining compensation levels. For the Company to be an industry leader and effectively manage the technical complexity and global scope of ExxonMobil, the most-senior executives must advance multiple strategic objectives in parallel, versus emphasizing one or two at the expense of others that require equal attention.

21

Expected to perform at the highest level or they are replaced  
Performance must be high in all key performance areas to receive  
an overall superior  
evaluation

Outstanding performance in one area will not cancel out poor performance in another  
Officers do not have employment contracts, severance agreements,  
or change-in-control  
arrangements

The Company has a long history of applying this standard of performance with consistency

Made possible by a deep bench of qualified talent for senior positions generated by a disciplined  
management development and succession planning process

Process allows for ever-increasing performance levels uninterrupted by separations and  
retirements, resulting in continuity of leadership and industry-leading business performance  
Highest Performance Standards for 21 Executive Officers, Including the CEO  
Determination of Equity Award Levels

Determination of Equity Award Levels

21

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All 21 executive officers are expected to perform at the highest level or they are replaced. If it is determined that another executive officer can make a stronger contribution than one of the current officers, a succession plan is implemented and the incumbent is reassigned or separated from the Company.

Performance must be high in all key performance areas to receive an overall superior evaluation. Outstanding performance in one area cannot cancel out poor performance in another.

For example, a problem in safety, security, health, or environmental performance could result in a reduced incentive award even if an officer's performance against financial and other metrics was superior.

The risk and consequences to officers of performance that does not meet the highest standards are increased as officers do not have employment contracts, severance agreements, or change-in-control arrangements.

The Company has a long history of applying this standard of performance with consistency.

This is made possible by a deep bench of qualified talent for senior positions generated by a disciplined management development and succession planning process.

This process allows for ever-increasing performance levels uninterrupted by separations and retirements, resulting in continuity of leadership and industry-leading business performance.



22

Stock Holding Requirement

Stock Holding Requirement

Sixty-five percent of the CEO's 2014 reported compensation is in restricted stock units

50 percent vests in 10 years from grant date or retirement, whichever is later (i.e., will not vest until 2024), and the other 50 percent vests in five years

Inability to monetize equity compensation early results in executives experiencing the impact of commodity price cycles much like the experience of long-term shareholders

Reinforces strong retention of experienced executives, which contributes to competitive advantage

(1)

Includes

shares

granted

to

the

CEO

between

2002  
and  
2005  
before  
his  
appointment  
to  
CEO.  
(2)  
Assuming  
retirement  
at  
age  
65  
in  
2017,  
50  
percent  
of  
shares  
granted  
in  
2002  
will  
vest  
at  
retirement  
in  
a  
15-year  
vesting  
period.  
The  
vesting  
period  
for  
50  
percent  
of  
shares  
granted  
in  
(3)  
Average  
vesting  
period  
of  
2014  
formula-based  
programs.

Vesting Periods that Far Exceed Most Industries

ExxonMobil's

extended

vesting

periods

better

reflect

and

align

with

the

time

frames

over

which

business

decisions

affect

long-term

shareholder

value

in

our

industry.

2003 is 14 years; 2004 is 13 years; 2005 is 12 years; 2006 is 11 years; and 2007 is 10 years.

22

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ExxonMobil's equity incentive program aligns with long investment lead times by granting restricted stock units with long vesting periods. In 2014, 65 percent of the CEO's reported compensation is in restricted stock units with vesting periods far longer than most companies in the industry. Specifically, half of the annual equity award is restricted for 10 years from grant date or until retirement, whichever is later; the other half is restricted for five years.

As illustrated in Chart 16, the 10 years or retirement, whichever is later vesting feature results in senior executives holding equity grants for three times longer than the average of three years among the industry group and compensation benchmark companies. For example, if the CEO retires in 2017, 50 percent of equity granted in 2002 will have a 15-year vesting period. Vesting is not accelerated for death. Tying the actual award value to the stock price at the end of these extended vesting periods in effect creates the ultimate measurement and link to Company performance.

Unlike the typical three-year formula-based programs, the ExxonMobil senior executive cannot monetize equity compensation until the end of the vesting period, which results in executives experiencing the impact of commodity price cycles much like the experience of long-term shareholders.

Equity grants also include meaningful risks of forfeiture prior to vesting.

These design features reinforce expected behaviors and ensure the executive's commitment to creating long-term, sustainable shareholder value. In addition, the cumulative value of these restricted equity grants acts as a strong retention mechanism for our top performing ExxonMobil executives who are highly sought after in the industry.

23  
Potential  
Misalignment  
of  
Formula-Based  
Pay  
with  
Long-Term  
Shareholder  
Experience  
Potential unintended consequences of an alternate  
formula-based program:  
Compensation that is misaligned with the gains or  
losses incurred by long-term shareholders through the  
use of steep payout factors  
A focus on short-term results at the expense of long-  
term sustainable growth in shareholder value  
Undermining the critical importance of sustainable risk

management strategies

A shorter payout period due to the practical inability to forecast events much beyond the typical three-year vesting period

Undermining of the executive retention strategy

Compensation paid out or realized that differs significantly from grant values

The ExxonMobil method of granting equity or stock-based awards will result in executives seeing a one-for-one change in compensation through stock price that coincides with the experience of the long-term shareholder.

ExxonMobil Equity Program

ExxonMobil Equity Program

23

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As mentioned earlier, some shareholders have suggested that ExxonMobil consider a formula-based methodology based on the company's performance versus the industry. Chart 17 shows a typical approach to this formula-based methodology.

The Compensation Committee reviewed and assessed this approach and determined that there is a potential for such a program to have the following unintended consequences:

A risk/reward profile that is misaligned with that of long-term shareholders due to the use of steep payout factors, e.g., a one-percent difference over benchmark companies could result in a payout of 200 percent regardless of the absolute value of TSR.

With just a three-year vesting, executives can monetize compensation in a short period of time at the expense of long-term shareholders by taking short-term optimization actions to achieve a higher compensation payout. ExxonMobil senior executives, on the other hand, with the program's long vesting periods, are held accountable for those decisions that they make.

Given the nature of our industry, the steep leverage of a formula-based approach does not reinforce the critical importance of sustainable risk management strategies.

A formula-based plan by design necessitates a shorter payout period due to the practical inability to forecast events much beyond the typical three-year vesting period. However, in the oil and gas industry, management decisions on large, capital-intensive projects have significant financial and operating results for decades into the future.

The shorter payout period does not reinforce our retention strategy or management development programs and succession planning. These programs help achieve continuity of leadership and competitive advantage and reinforce our focus on long-term, sustainable growth in shareholder value.

Compensation paid out or realized could also differ significantly from grant values as shown in the prior charts.

The ExxonMobil method of granting equity or stock-based awards will result in executives seeing a one-for-one change in compensation with stock price that coincides with the experience of the long-term shareholder.

24  
Potential Misalignment of Formula-Based Pay with ExxonMobil's Business Model  
Approximately  
70  
percent  
of  
cumulative  
stock-based  
awards granted over the  
illustrated  
time  
period  
for  
the  
ExxonMobil program will  
remain  
unvested  
and



at  
risk  
during employment, versus  
approximately 30  
percent for  
the alternate program  
After retirement, the  
ExxonMobil  
senior  
executive  
will  
continue  
to  
have  
grants  
unvested and at risk of  
forfeiture for 10 years  
The  
ExxonMobil  
design  
of  
granting  
and  
vesting  
stock-based  
awards  
better  
aligns  
with  
the  
long-term  
investment  
lead  
times  
and  
risks  
of  
our  
business.  
Annual  
investment  
required  
and  
cash  
flow  
generated  
by  
a  
typical  
ExxonMobil

project.  
ExxonMobil  
equity  
program:  
50  
percent  
of  
an  
annual  
grant  
of  
restricted  
stock  
or  
restricted  
stock  
units  
vests  
in  
10  
years  
or  
retirement,  
whichever  
is  
later,  
and  
the  
other  
50  
percent  
vests  
in  
five  
years.  
Hypothetical  
alternate  
program:  
Percent  
of  
target  
shares  
that  
pay  
out  
are  
shown  
in  
Chart  
17

and  
depend  
on  
ExxonMobil's  
relative  
three-year  
TSR  
rank  
versus  
our  
primary  
competitors:  
BP,  
Chevron,  
Royal  
Dutch  
Shell,  
and  
Total.  
TSR  
ranking  
has  
been  
determined  
by  
a  
Monte  
Carlo  
simulation  
that  
applies  
equal  
probability  
to  
each  
rank  
position.  
The  
Monte  
Carlo  
simulation  
method  
is  
consistent  
with  
U.S.  
GAAP  
accounting  
principles  
for

valuing

performance

stock

awards.

ExxonMobil Equity Program

ExxonMobil Equity Program

24

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The ExxonMobil compensation program supports the ExxonMobil business model. To illustrate that, let's take a look at Chart 18. The purple line shows the project net cash flow of a typical ExxonMobil project, and the red and blue lines show the payout profiles of the ExxonMobil stock-based program and the alternate formula-based program, illustrated on the prior slide, respectively.

On this chart, to better demonstrate the difference in pace of payout, the total number of shares paid out under both compensation programs is the same.

Chart 18 illustrates how the ExxonMobil design of granting and vesting stock-based awards better aligns with the long-term investment lead times and risks of our business.

By contrast, the high degree of variability and earlier payout of the alternate formula-based program are misaligned with the investment profile of a typical ExxonMobil project and could result in an overemphasis on short-term business performance at the expense of sustainable risk management and long-term business results.

Approximately 70 percent of a senior executive's cumulative shares or stock-based awards granted over the illustrated time period are unvested and at risk during employment under the ExxonMobil program, versus approximately 30 percent for the alternate case.

Even after retirement, the ExxonMobil senior executive will continue to have shares unvested and at risk of forfeiture. Specifically, the vesting of stock-based awards is not accelerated upon retirement.

Sustainable growth in shareholder value relies on strong alignment between the design of compensation and the ExxonMobil investment strategy. The Compensation Committee believes the current ExxonMobil compensation program does that.

With that, I will turn it over to Jeff to close before we open it up for questions.

25

The Compensation Committee on multiple occasions has carefully analyzed alternative methods of granting stock-based awards and recognizing business performance and, for the reasons mentioned above, believes that a formula-based plan would not deliver the desired results for ExxonMobil or its shareholders.

The Committee believes that the current ExxonMobil equity program still best serves the long-term

interests

of

shareholders

and

more

effectively

achieves

the

following:

Accountability:

Holds

senior  
executives  
accountable  
for  
many  
years,  
extending  
well  
beyond  
retirement  
date,  
with  
long  
vesting  
periods;  
Alignment:  
Links  
financial  
gains  
or  
losses  
of  
each  
executive  
to  
the  
experience  
of  
the  
long-  
term  
shareholder  
and  
aligns  
strongly  
with  
the  
ExxonMobil  
business  
model;  
Performance  
and  
Results:  
Keeps  
executives  
focused  
on  
delivering  
industry-leading  
results;

and,  
Retention:  
Supports  
continuity  
of  
leadership  
by  
encouraging  
a  
career  
orientation.  
ExxonMobil Equity Program  
ExxonMobil Equity Program



25

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Thanks Randy.

The Compensation Committee on multiple occasions has carefully analyzed alternative methods of granting stock-based awards recognizing business performance and, for the reasons Randy mentioned, believes that a formula-based plan would not deliver results for ExxonMobil or its shareholders.

The Committee believes that the current ExxonMobil equity program still best serves the long-term interests of shareholders and effectively achieves the following:

- Accountability: Holds senior executives accountable for many years, extending well beyond retirement date, with long vesting
- Alignment: Links financial gains or losses of each executive to the experience of the long-term shareholder and aligns strongly with ExxonMobil business model;
- Performance and Results: Keeps executives focused on delivering industry-leading results; and,
- Retention: Supports continuity of leadership by encouraging a career orientation.

26

Vote FOR

Vote FOR

Item 3:

Item 3:

Advisory Vote to Approve Executive Compensation

Advisory Vote to Approve Executive Compensation

ExxonMobil's

compensation

program

supports

a

business

model

that

has

weathered

volatile

commodity  
prices  
and  
industry  
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for  
many  
years.  
Our  
compensation  
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has  
contributed  
to  
a  
culture  
of  
performance,  
integrity,  
reliability,  
and  
consistency.  
The  
Company  
has  
taken  
additional  
steps  
to  
address  
questions  
raised  
by  
shareholders  
including,  
on  
multiple  
occasions,  
careful  
consideration  
of  
alternative  
methods  
of  
granting stock-  
based  
awards.  
Our  
compensation

program  
is  
designed  
to  
ensure  
that  
executives  
maintain  
an  
unwavering  
focus  
on  
the  
long-term  
performance  
of  
the  
business  
and  
the  
interests  
of  
shareholders.

We  
believe  
ExxonMobil's  
business  
model  
and  
supporting  
compensation  
program  
will  
continue  
to  
serve  
shareholders  
well  
in  
the  
future.

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In conclusion, ExxonMobil's compensation program supports a business model that has weathered volatile commodity prices and business cycles for many years and consistently generated industry-leading financial and operating performance and shareholder value over a very long time.

The compensation program contributes to a culture of performance, integrity, reliability, and consistency. We hope that you also recognize that the compensation program has been a key ingredient in achieving these objectives.

The Company has taken additional steps to address questions raised by shareholders including, on multiple occasions, careful consideration of alternative methods of granting stock-based awards.

Our compensation program is designed to ensure that executives maintain an unwavering focus on the long-term performance of the Company and the interest of shareholders.

On behalf of your Board of Directors, we recognize your vote is important and encourage you to carefully consider the information provided today and vote FOR the advisory vote to approve executive compensation.

Item 4  
Independent Chairman  
Item 5  
Proxy Access Bylaw  
Item 6  
Climate Expert on Board  
Item 7  
Board Quota for Women  
Item 8  
Report on Compensation for Women  
Item 9  
Report on Lobbying  
Item 10  
Greenhouse Gas Emissions Goals  
Item 11  
Report on Hydraulic Fracturing  
The Board recommends you vote AGAINST the following proposals:  
Shareholder Proposals



As we conclude our prepared remarks, I would like to take a moment to briefly comment on the shareholder proposals in our proxy statement. We have had robust dialogue with the proponents for each of the proposals submitted, some of which have resulted in the proposal being ultimately withdrawn. Further, we have carried on these discussions with our broader shareholders.

So first, I would like to reinforce that we truly value these communications and we encourage ongoing engagement.

In the interest of time, let me just briefly comment on a few of the remaining proposals in the proxy:

Regarding Item 4, Independent Chairman, the Board believes that the decision as to who should serve as Chairman and / or CEO is the proper responsibility of the Board, and the Board should retain the flexibility to determine the particular governance structure that best serves the long-term interests of the shareholders at the time.

As you know, 11 of our 12 directors are independent, with independent board leadership provided by the Presiding Director.

Moving to Item 5 on the Proxy Access Bylaw, the Board has considered the merits of proxy access and continues to monitor related developments. We are interested in defining the governance benefits from proxy access and identifying means to capture these benefits without creating additional risks or eroding existing well-established and successful processes.

As many of you will agree, governance is risk mitigation and is a key element of a high-integrity organization.

As we speak to investors, we hear varying positions:

Some feel strongly that this proposal, if approved, would provide a fundamental right to shareholders.

Others are opposed to proxy access and feel, like our Board, that the critical role of director selection is best left to the independent Board Affairs Committee.

Third, some investors are watching and waiting, developing a position after the dialogue has advanced to definition of merits and objectives.

We respect the input of all of our investors, but currently believe that our process is time-tested and will continue to serve the interests of all shareholders.

Item 6 calls for a climate expert on our Board. Our current director selection process requires candidates to have a breadth of experience and demonstrated expertise in managing complex organizations and situations with worldwide scope. The process has resulted in a board with a broad range of qualifications and expertise, including environmental / climate experience.

The Board is comprised of members with diverse backgrounds and views, including several who have engineering or science degrees, thus enabling the Board to properly address climate-related issues with the support of Company professionals and scientists with expertise in climate-related matters.

To set aside one seat for an environmental specialist, however that may be defined, or any other single attribute or expertise would not be in the best interest of our shareholders, as it would dilute the breadth needed by all directors to make informed decisions for the Company.





Skipping down to Item 11, Report on Hydraulic Fracturing, I'd like to highlight that after we received a similar resolution from the same proponent last year, the Company prepared a white paper called *Unconventional Resources Development, Managing the Risks*, which details the inherent risks and mitigations in hydraulic fracturing.

I would recommend you take a look at that report by going to our website.

I would also note that we do report related metrics in our Corporate Citizenship Report, as well as to State and Federal regulators.

The proponent is requesting certain additional quantitative information at the play or field level that in our view, taken exclusively, would not enhance our risk management or community engagement efforts.

As described in the white paper, we have well-established systems and processes to effectively manage risks.

There is unfortunately not enough time for us to address each of the shareholder proposals, but we would be happy to respond to your questions.

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Questions?

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That concludes our prepared remarks. We would now be happy to take your questions.

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