

# 2020 Shareholder Webcast

May 8, 2020

The ExxonMobil logo is displayed in white text on a dark background. The word "Exxon" is in a bold, sans-serif font, and "Mobil" is in a slightly lighter, sans-serif font. The logo is positioned in the lower right corner of the image, overlaid on a complex industrial facility at night.

ExxonMobil



# Agenda

- 11:00 **Welcome**
- 11:05 Executive Compensation
- 11:30 Shareholder Proposals
- 11:45 **Q&A**

# Cautionary Statement

**Statements regarding future events or conditions are forward-looking statements.** Actual future results, including achievement of strategic objectives; future financial and operating results; and project plans, schedules, and results, as well as the impact of compensation incentives, could differ materially due to: changes in oil and gas prices, petroleum product margins and other market factors affecting our industry; the outcome of exploration and development projects; timely completion of production and construction projects; technical or operating conditions; the outcome of commercial negotiations; political and regulatory factors, including changes in environmental and tax laws and international treaties; and other factors described in Item 1A Risk Factors in our most recent Form 10-K and in our Form 10-Q for the quarter ended March 31, 2020.

ExxonMobil recently announced planned reductions in its capital spending and cash operating expenses for 2020 to address the impacts of the COVID-19 pandemic, government responses to the pandemic, and other market factors affecting ExxonMobil's business including conditions of oversupply that have resulted in historically low oil prices. Amidst these conditions, project deferrals and idling of capacity will continue or may increase, and project cancellations could occur, resulting in lower volumes across one or more of our business segments. The capital spending reductions will result in lower near-term production volumes in the Upstream and delays in previously anticipated volume increases in future years.

**Summary Annual Report.** The forward-looking statements included in our 2019 Summary Annual Report ("SAR") were based on different capital plans and projected results of operations consistent with those disclosed at our Investor Day held on March 6, 2020. The capital plans and other forward-looking statements from our Investor Day are no longer an appropriate guide for ExxonMobil's future business plans or results of operations. As part of the revised capital plans noted above, ExxonMobil has identified changes in the timing of our projects discussed in the SAR. For example, during ExxonMobil's first quarter earnings call, held on May 1, 2020 and available on the Investors page of our website at [www.exxonmobil.com](http://www.exxonmobil.com), the company indicated spending reductions in the Permian will reduce volumes in future periods, relative to our previous estimates. The company also indicated that a delay in future Guyana developments will impact production volumes relative to our previous estimates. All forward-looking statements, including project timing and projections mentioned in the SAR, may be further impacted by the continuation of the COVID-19 pandemic, government responses to the pandemic, or other market factors.

**Definitions and Footnotes.** See the Frequently Used Terms on slide 23 for definitions of important terms relating to compensation used in this presentation including Reported Pay, Realized Pay, Unrealized Pay, and Total Direct Compensation, as well as a listing of our compensation benchmark companies. For more information on return on average capital employed (ROCE), cash flow from operations and asset sales, and total shareholder return (TSR) referenced on slide 10 see the Frequently Used Terms available on the Investors page of our website. The footnote used in this presentation is presented on slide 23.

The project cash flow timeline on slide 7 represents a hypothetical Upstream project and is presented for illustrative purposes only.

# Shareholder Engagement

- Ongoing engagement is essential
- Shareholder input is valued by the Board and company management in deliberations and disclosures
  - Board responded to shareholder input this year with significant governance and disclosure enhancements
- Variety of venues for outreach:
  - Annual Shareholders Meeting
  - Annual publications and website
  - Quarterly earnings calls
  - Webcasts
  - Direct communication with Directors, including independent Lead Director
  - Roadshows, spotlight events, and institutional investor conferences
- Significantly grew engagements in 2019 and continuing in 2020

# Executive Compensation

Key Messages

Performance Share Program

Bonus Program

Determining CEO Compensation

Pay for CEO Position

# Key Messages

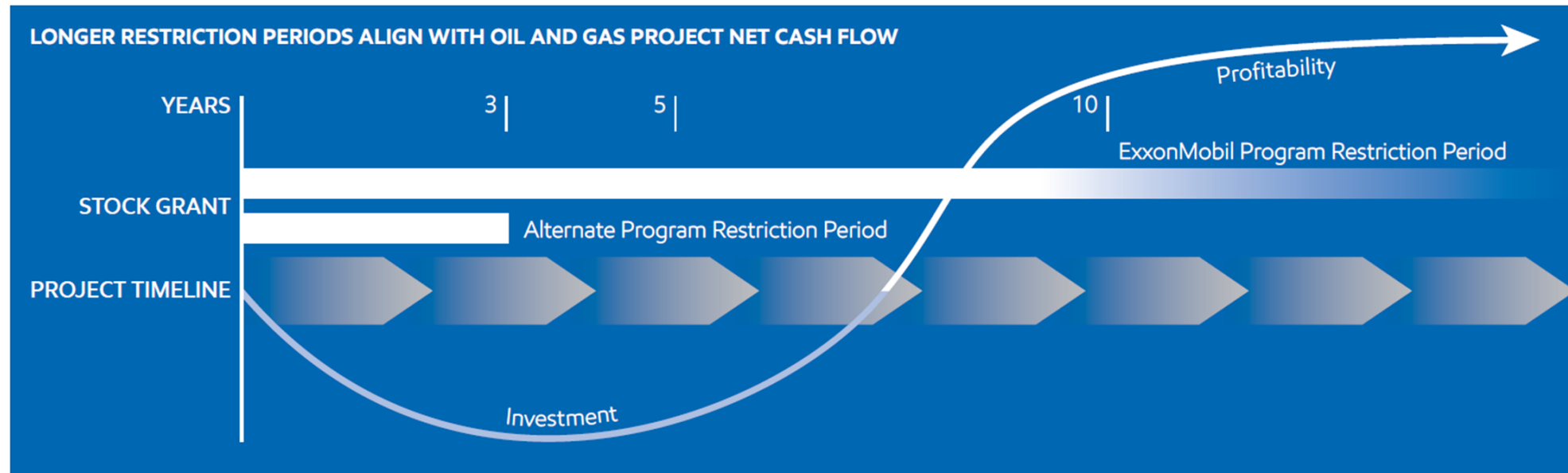
Program **aligned with our business model** and **long-term shareholder returns**

Pay **highly performance based** and tied to Company performance

Compensation Committee delivered market **competitive pay**

# Performance Share Program

- Recognizes the long-term nature of ExxonMobil's business model
- Encourages a long-term view through commodity price cycle
- Aligns experience of executives with that of long-term shareholders



# Performance Share Program

- Compensation Committee does not adjust share grants to offset changes in share price, resulting in a one-for-one change in compensation through share price
- Long restriction periods, coupled with performance metrics applied at grant
- Key factors determining performance share awards include both forward-looking and backward-looking performance measures
- Long restriction periods, three times longer than those at compensation benchmark companies, result in stock ownership far exceeding standard ownership guidelines

THROUGH LONG RESTRICTION PERIODS, EXXONMOBIL EXECUTIVES ARE  
INCENTIVIZED TO TAKE A **LONG-TERM VIEW** IN DECISION MAKING



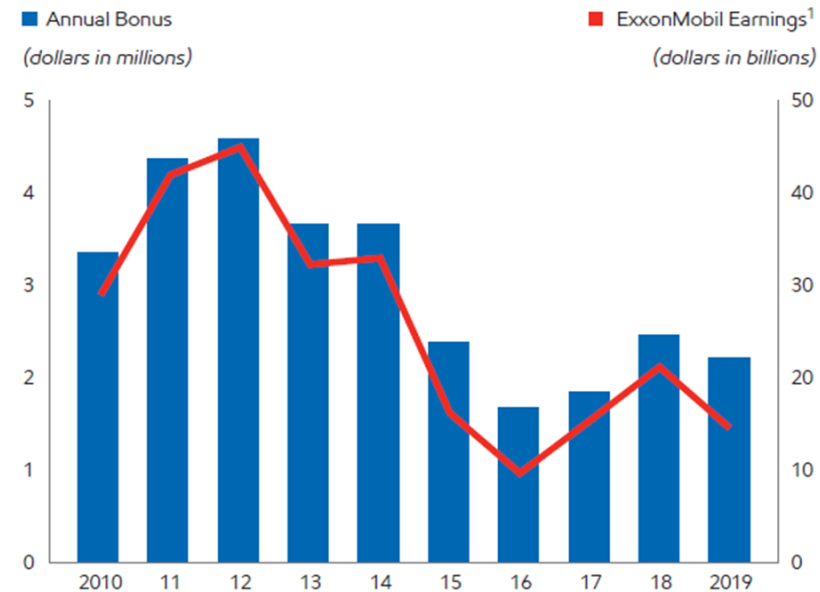
# Bonus Program

- Size of bonus program aligned with change in annual earnings

$$\% \text{ change in bonus program} = (\% \text{ change in annual earnings}) \times (2/3)$$

- Individual grant levels determined by the above formula, changes in pay grade, and individual performance
- Bonus delivered using two vehicles:

ANNUAL BONUS AWARD TO CEO POSITION AND EXXONMOBIL EARNINGS



**50% Cash**  
Paid in year of grant



**50% Earnings Bonus Units (EBU)**  
Vesting delayed

BONUS PROGRAM ENCOURAGES **STRONG EARNINGS PERFORMANCE** IN THE  
NEAR- AND MID-TERM WHILE MAINTAINING RISK OF FORFEITURE

# Determining CEO Compensation

INPUTS TO COMPENSATION COMMITTEE		
	Performance Dimension	2019 Input
Performance Shares	<b>Progress Toward Strategic Objectives</b> Demonstrated leadership and accomplishments in progressing strategic goals and objectives	Significant accomplishments in 2019
	<b>Financial and Operating Performance</b> Industry leadership over investment lead times (10 years) required in <b>each</b> pre-established metric	Leading industry peers in 3 of 4 financial and operating metrics <b>Leading</b> <ul style="list-style-type: none"> <li>• Safety and Operations Integrity</li> <li>• Return on Average Capital Employed</li> <li>• Cash Flow from Operations and Asset Sales</li> </ul> <b>Lagging</b> <ul style="list-style-type: none"> <li>• Total Shareholder Return</li> </ul>
Annual Bonus	<b>Estimated Earnings</b> Company earnings performance	Lower 2019 year-end estimated earnings
	<b>Earnings Per Share (EPS)</b> Threshold set for Earnings Bonus Units to pay out within 3-year time horizon	EPS threshold maintained at \$6.50
Base Salary	<b>Performance, Experience, and Pay Grade</b> Demonstrated leadership and experience in position	Significant accomplishments in 2019
ANNUAL COMPENSATION BENCHMARKING		

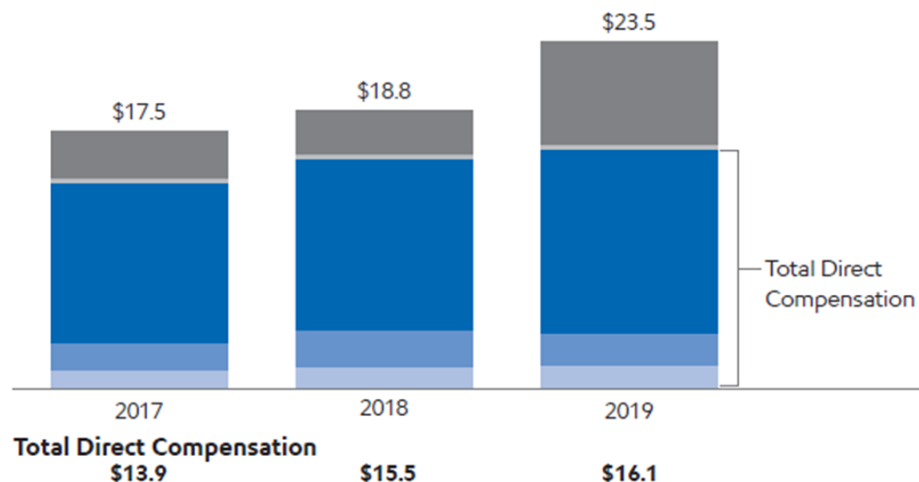
# Pay for CEO Position

## 2019 CEO COMPENSATION

### Reported Pay

Salary Bonus Stock-Based Awards All Other Compensation Change in Pension Value

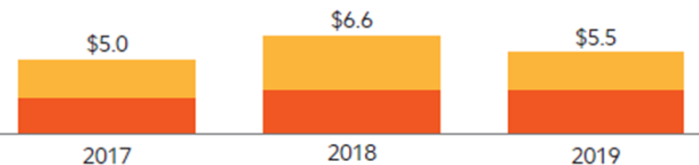
(millions)



### Realized Pay

Total Cash Vesting of Previous Awards

(millions)



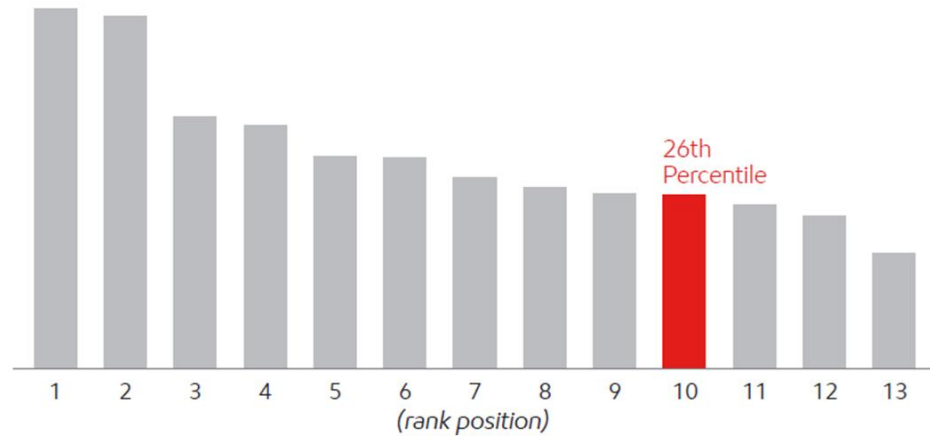
- Over 70 percent of CEO total direct compensation delivered in the form of performance shares with long restriction periods
- Realized pay is 23 percent of total reported pay

# Pay for CEO Position

## 10-YEAR COMBINED REALIZED AND UNREALIZED PAY

(2010 to 2019)

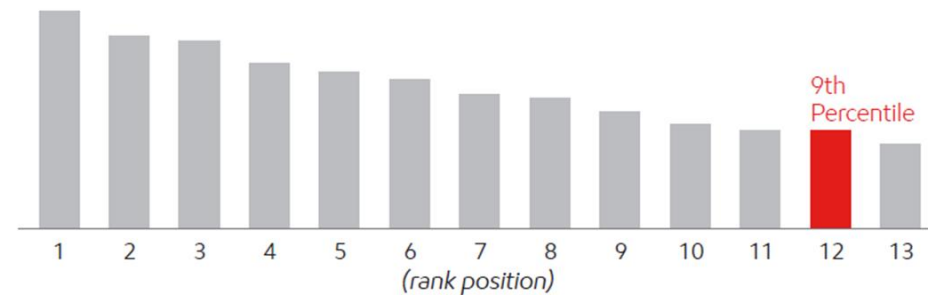
■ ExxonMobil ■ Compensation Benchmark Companies



## 10-YEAR REALIZED PAY

(2010 to 2019)

■ ExxonMobil ■ Compensation Benchmark Companies



- Relative rank position in 10-year realized pay demonstrative of long restriction periods in program design

# Summary – Why Vote “FOR” Say-on-Pay?

Program **aligned with our business model** and **long-term shareholder returns**

Pay **highly performance based** and tied to Company performance

Compensation Committee delivered market **competitive pay**



# Shareholder Proposals

- Appreciate engagement with shareholders
- Some proposals satisfactorily addressed and withdrawn from proxy
- Remaining proxy proposals – generally agree on objectives, differ on approach
- Important to maintain constructive dialogue throughout the year

# Item 4: Independent Chairman

Proposal: Adopt a policy to require that whenever possible the Chairman be an independent member of the Board; phase in for next CEO transition

ExxonMobil's Board recommends a vote **AGAINST**:

- Board significantly enhanced authorities of the independent Lead Director this year after considering shareholder input
- **Lead Director** has strong oversight authority of management, including the CEO; as our Lead Director, Kenneth Frazier, has authorities that include:
  - Calling, chairing, setting agenda for executive sessions
  - Engaging with shareholders as appropriate
  - Chairing Board meetings in absence of Chairman
  - Leading Board performance evaluation
  - Reviewing and approving schedule and agenda for Board meetings in consultation with Chairman
  - Together with Compensation Committee overseeing the annual CEO evaluation, communicating resulting feedback to CEO, and reviewing CEO succession plans
- Full list of Lead Director oversight authorities found on Proxy Statement page 9
- Board's responsiveness to shareholder input evidences the robust oversight and independence of the Board and all non-employee directors

# Item 5: Special Shareholder Meetings

Proposal: Amend bylaws to give holders in the aggregate of 10% of outstanding common stock the power to call a special shareholder meeting without the need for a court petition

ExxonMobil's Board recommends a vote **AGAINST**:

- In response to shareholder input, the Board enhanced the shareholder's right to call a special meeting, which can now be exercised in either of two ways:
  - Holders of 15% or more of outstanding shares may call a special meeting, or
  - Holders of 10% or more of outstanding shares may call a special meeting on a showing of good cause
- No requirement for court petition when holders of 15% of shares agree
- This 15% threshold is below the common S&P 500 threshold of 25%
- The Board provides meaningful and accessible rights to shareholders, including responding to input this year by adding a right to call a special meeting without the need for a court petition

# Item 6: Report on Environmental Expenditures

Proposal: Prepare a report of the incurred costs and associated benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company's environment-related activities.

ExxonMobil's Board recommends a vote **AGAINST**:

- The premise of this proposal is that ExxonMobil should spend **less** on reducing emissions from its business and developing new technologies to address climate-related risks
- Over the last decade, ExxonMobil has invested \$10B in lower-emission energy solutions
  - All opportunities, including those taken to address climate-related risks, are rigorously evaluated to support the objective of generating long-term shareholder value
- Many actions to mitigate environmental impact or improve efficiency also improve business performance
- ExxonMobil's activities and contributions are detailed in existing publications, including the *Energy & Carbon Summary*, *Outlook for Energy*, and *Sustainability Report*

# Item 7: Report on Risks of Petrochemical Investments

Proposal: Prepare a report assessing the public health risks of expanding petrochemical operations and investments in areas increasingly prone to storms, flooding and sea level rise

ExxonMobil's Board recommends a vote **AGAINST**:

- ExxonMobil has extensive experience designing, constructing, and operating facilities in a wide range of challenging physical environments around the world
- Detailed, well-practiced, and continuously improved emergency response plans are tailored to each facility to assist in responding to unplanned events, including extreme weather
- The Gulf Coast Growth Ventures is a recent investment located in San Patricio County, Texas, which demonstrates the robustness of ExxonMobil's risk management processes in practice; through the joint venture, ExxonMobil worked with government regulators and local communities to address:
  - Health and safety
  - Education and workforce development
  - Quality of life
  - Environmental stewardship
- ExxonMobil already discloses its guidelines, measures, and practices for managing potential risks associated with extreme weather conditions in the *Energy & Carbon Summary*



# Item 8: Report on Political Contributions

Proposal: Prepare a report disclosing the policies and procedures for making political contributions and expenditures with corporate funds, including the Board's role, and monetary and non-monetary contributions or expenditures that are not deductible for U.S. tax purposes as ordinary business expenses

ExxonMobil's Board recommends a vote **AGAINST**:

- In response to shareholder feedback, website disclosures were enhanced to detail oversight process
- We believe disclosure requirements outlined by federal and state laws are adequate and equitable, in that they require the same level of disclosure from all participants in the political process
- In addition to federal and state regulations, political contributions are subject to strict internal review processes, including approval by the Chairman and annual review by Board
  - Routine verification of process during internal audits of political activities
- ExxonMobil's website discloses:
  - Company's Political Activities Guidelines addressing policies and procedures
  - Contributions to more than 100 U.S.-based, non-profit organizations, many of which contribute to informed policy decisions

# Item 9: Report on Lobbying

Proposal: Prepare a report disclosing the policy and procedures governing lobbying; amounts and recipients; memberships in organizations that write model legislation; decision-making process; and oversight by management and Board

ExxonMobil's Board recommends a vote **AGAINST**:

- In response to shareholder input, this year, ExxonMobil has provided enhanced detail about our rigorous oversight process governing public positions and lobbying
- Strict internal review and oversight process applies to ensure public policy positions are aligned with lobbying activities; process includes regular reviews of policy positions by Management Committee and an annual review of lobbying expenditures by the Board
- Company's lobbying efforts are aligned with its publicly available positions
- ExxonMobil's website discloses:
  - Company's Political Activities Policy and Guidelines
  - Positions on key issues
  - Disclosure of Lobbying Disclosure Act filings

# Virtual Annual Shareholder Meeting

- ExxonMobil's 2020 Annual Meeting of Shareholders is scheduled on May 27, 2020 beginning at 9:30 a.m. Central Time
- Due to public health concerns associated with COVID-19, Annual Meeting will now be conducted exclusively as a **virtual-only meeting**
- ExxonMobil made this decision to help safeguard the health and welfare of its shareholders, employees, other meeting participants, and the local community
- Instructions for participating in the virtual Annual Meeting are available on the Investor Relations section of our website at: [www.exxonmobil.com/investor](http://www.exxonmobil.com/investor)

# Questions



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# Footnote and Definitions

## Footnote, slide 9

- 1) Bonus program is based on estimates of year-end earnings made in November of each year, such that payment can occur in that calendar year. The purpose of the two-thirds adjustment in the formula is to mitigate the impact of commodity price swings on short-term earnings performance.

## Frequently Used Terms

**Performance Share Program** is the terminology used to describe our equity program to better reflect the strong connection between performance and pay.

**Compensation Benchmark Companies** consist of AT&T, Boeing, Chevron, Ford, General Electric, General Motors, IBM, Johnson & Johnson, Pfizer, Procter & Gamble, United Technologies, and Verizon. These are the same companies noted in the 2019 Proxy Statement. For consistency, CEO compensation in the Combined Realized and Unrealized Pay chart on slide 12 is based on compensation as disclosed in the Summary Compensation Table of the proxy statements as of April 29, 2020.

**Reported Pay** is Total Compensation reported in the Summary Compensation Table.

**Total Direct Compensation** is compensation granted during the year, including salary, current bonus, and the grant date fair value of performance shares.

**Realized Pay** is compensation actually received by the CEO during the year, including salary, cash 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 compensation benchmark 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 than 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 2019 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.