January 17, 2020

VIA Email

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
via email: shareholderproposals@sec.gov

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the “Company” or “Exxon Mobil”), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are filing this letter with respect to the shareholder proposal (the “Proposal”) submitted by Active Home, LLC (the “Proponent”) for inclusion in the proxy materials (the “2020 Proxy Materials”). The Proposal is attached hereto as Exhibit A.

We hereby request confirmation that the Staff of the Division of Corporation Finance (the “Staff”) will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from the 2020 Proxy Materials. In accordance with Rule 14a-8(j), this letter is being filed with the Securities and Exchange Commission (the “Commission”) not less than 80 days before the Company plans to file its definitive proxy statement.

Pursuant to Staff Legal Bulletin No.14D (CF), Shareholder Proposals (November 7, 2008), Question C, we have submitted this letter and any related correspondence via email to shareholderproposals@sec.gov. Also, in accordance with Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company’s intention to omit the Proposal from the 2020 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper.

THE PROPOSAL

The Proposal states:

Exxon Mobil resolves to support a pricing structure on fossil fuels that will lead to significant reduction in production of carbon dioxide. Such a pricing structure would be of the type in the 2019 U.S. House bill HR763 - $15 fee per metric ton fee of carbon dioxide equivalent at the introduction and increasing by $10 per ton each year – or a similar pricing structure.

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2020 Proxy Materials pursuant to:

• Rule 14a-8(i)(7), because it impermissibly seeks to micromanage the Company; and
• Rule 14a-8(i)(10), because the Company has already substantially implemented the Proposal.

1. The Company may omit the Proposal pursuant to Rule 14a-8(i)(7) because it relates to the Company’s ordinary business operations by impermissibly seeking to micromanage the Company by imposing specific methods to implement complex policy issues.

Rule 14a-8(i)(7) allows a company to omit a shareholder proposal from its proxy materials if such proposal deals with a matter relating to the company’s ordinary business operations. The general policy underlying the “ordinary business” exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at annual shareholders meetings.” Exchange Act Release No. 34-40018 (May 21, 1998). This general policy reflects two central considerations: (i) “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight” and (ii) the “degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

Although the Staff has stated that a proposal generally will not be excludable under Rule 14a-8(i)(7) where it raises a significant policy issue (Staff Legal Bulletin 14E (October 27, 2009)), even if a proposal involves a significant policy issue, the proposal may nevertheless be excluded under Rule 14a-8(i)(7) if it seeks to micromanage the company by specifying in detail the manner in which the company should address the policy issue. See Exxon Mobil Corporation (April 2, 2019) (proposal requesting disclosure of greenhouse gas emissions targets in line with Paris Agreement goals); The Goldman Sachs Group, Inc. (March 12, 2019) (proposal requesting the company adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the Paris Agreement, where the proposal was viewed to be imposing an “overarching requirement”); Royal Caribbean Cruises Ltd. (March 14, 2019) (proposal requesting that any stock buybacks adopted by the Board after approval of the proposal not become effective until approved by shareholders, which would affect each new share repurchase program and each and every stock buyback); Abbott Laboratories (February 28, 2019) (proposal requesting the company adopt a policy, according to which the compensation committee must approve proposed sales of compensation shares by senior executives during a buyback, which would affect each sale by an executive during a buyback); JPMorgan Chase & Co. (March 30, 2018) (proposal requesting the company establish a “Human and Indigenous Peoples’ Rights Committee” which would require the committee to take specific actions); Amazon.com, Inc. (January 18, 2018) (proposal requesting that Amazon list certain efficient showerheads before others on its website and describe the benefits of these showerheads); SeaWorld Entertainment, Inc. (April 23, 2018) (proposal urging a company’s board to ban all captive breeding in the company’s parks); SeaWorld Entertainment, Inc. (March 30, 2017) (proposal urging a company’s board to retire orcas to seaside sanctuaries and replace live orca exhibits with virtual reality exhibits); and The Wendy’s Company (March 2, 2017) (proposal urging a company’s board to take all necessary steps to join as promptly as feasible the Fair Food Program, a partnership devoted to ensuring humane wages and working conditions for produce workers).

In Staff Legal Bulletin No. 14K (October 16, 2019) (“SLB 14K”) the Staff furthermore noted that, in evaluating arguments under the micromanagement prong of Rule 14a-8(i)(7), it conducts an assessment of the level of “prescriptiveness” of the proposal:

“Notwithstanding the precatory nature of a proposal, if the method or strategy for implementing the action requested by the proposal is overly prescriptive, thereby potentially limiting the judgment and discretion of the board and management, the proposal may be viewed as micromanaging the company…When a proposal prescribes specific actions that the company’s management or the board must
undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the proposal, the proposal may micromanage the company to such a degree that exclusion of the proposal would be warranted.”

The evaluation of the manner in which the Proposal seeks to address the subject matter raised, rather than the subject matter itself, is critical to the analysis of whether the Proposal micromanages the Company.

The Proposal states that “Exxon Mobil resolves to support a pricing structure on fossil fuels . . . of the type in the 2019 U.S. House bill HR763 - $15 fee per metric ton fee of carbon dioxide equivalent at the introduction and increasing by $10 per ton each year.” Like the proposals cited above, the Proposal prescribes a single specific action for the Company to take, and affords the Company no flexibility to consider whether to support a carbon pricing structure (commonly known as a carbon tax), what type of carbon tax to support, or the timing or amount of any changes in the tax over time.

Similar to The Goldman Sachs Group, Inc., the Proposal imposes an “overarching requirement” that mandates specific methods for implementing complex policies in place of the ongoing judgments of management. See also Pfizer Inc. (March 1, 2019), where a proposal was viewed to be micromanagement because it asked the board to implement a policy that it will “not fund, conduct, or commission use of [a forced swim] test.” Like all the prior examples cited herein, proposals that prescribe exactly what actions or methods that a company must, or must not, take, even a singular action or method, unduly micromanages the company.

The Proposal would circumvent the Company’s ability to decide whether to support a particular carbon tax proposal after applying the judgment and discretion of the Company's board and management to the complex matter of carbon emissions pricing, by prescribing a specific type of carbon tax at a specific price with a specific increase over a specific time period. The Proposal gives the Company no flexibility or discretion to first analyze the benefits and drawbacks of the specific carbon tax requested by the Proposal, or evaluate a tax that prices carbon higher or lower than the specific price required in the Proposal. As such, the Proposal unduly limits the ability of management and the board to manage the complex matter of support for carbon emissions pricing, and as such the Proposal should be omitted on micromanagement grounds.

2. The Company may omit the Proposal pursuant to Rule 14a-8(i)(10) as it has been substantially implemented and its practices, policies and procedures compare favorably to the Proposal.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission has stated that “substantial” implementation under the rule does not require implementation in full or exactly as presented by the proponent. See Exchange Act Release No. 34-40018 (May 21, 1998, n.30). The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied the “essential objective” of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal. See Hess Corporation (April 11, 2019) (permitting exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement’s goal where the company had already provided the requested information in its sustainability report and CDP (formerly known as Carbon Disclosure Project) report); Exxon Mobil Corporation (April 3, 2019) (permitting exclusion of a proposal requesting the Company issue a report on how it can reduce its carbon footprint in alignment with GHG emissions reductions in line with the Paris Agreement where the requested information was readily available in the Company’s public disclosures); Visa (October 11, 2019) (permitting exclusion of a proposal requesting that the company reform its executive compensation philosophy to include social factors where the company
had tied annual compensation to the achievement of certain strategic pillars, which included certain social considerations); Exxon Mobil Corporation (March 23, 2018) (permitting exclusion of proposal requesting that the Company issue a report describing how the Company could adapt its business model to align with a decarbonizing economy where the requested information was already available in two published reports describing the company’s long-term outlook for energy and how it would position itself for a lower-carbon energy future); Entergy Corp. (February 14, 2014) (permitting exclusion of proposal requesting a report “on policies the company could adopt . . . to reduce its greenhouse gas emissions consistent with the national goal of 80% reduction in greenhouse gas emissions by 2050” where the requested information was already available in its sustainability and carbon disclosure reports); Duke Energy Corp. (February 21, 2012) (permitting exclusion of proposal requesting that the company assess potential actions to reduce greenhouse gas and other emissions where the requested information was available in the Form 10-K and its annual sustainability report); and Exelon Corp. (February 26, 2010) (concurring in the exclusion of proposal that requested a report on different aspects of the company’s political contributions when the company had already adopted its own set of corporate political contribution guidelines and issued a political contributions report that, together, provided “an up-to-date view of the [c]ompany’s policies and procedures with regard to political contributions”). “[A] determination that the company has substantially implemented the proposal depends upon whether [the Company’s] particular policies, practices, and procedures compare favorably with the guidelines of the proposal.” See Texaco, Inc. (March 28, 1991) (permitting exclusion on substantial implementation grounds of proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices and procedures regarding the environment).

The Proposal’s “essential objective” is for the Company “to support a pricing structure on fossil fuels that will lead to significant reduction in production of carbon dioxide.” In February 2019, the Company published its latest Energy & Carbon Summary (the “ECS”). While, as discussed earlier in this letter, there are fundamental flaws in the Proposal’s objective, the Company supports the Paris Agreement and is taking action within its control and core competency to help address the risk of climate change. As described further below, the ECS demonstrates that the Company has substantially implemented the Proposal by satisfying its essential objective, and thus the Proposal is excludable under Rule 14a-8(i)(10).

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In the table below we have succinctly demonstrated how the ECS report and other public statements by the Company are responsive to the Proposal’s request for the Company “to support a pricing structure on fossil fuels that will lead to significant reduction in production of carbon dioxide.” A more detailed discussion of the disclosures contained in the ECS that address the essential objective of the Proposal is set forth following the summary table.

<table>
<thead>
<tr>
<th>Proposal request</th>
<th>ExxonMobil ECS and Other Disclosures</th>
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<tbody>
<tr>
<td>“support a pricing structure on fossil fuels that will lead to significant reduction in production of carbon dioxide”</td>
<td>ECS pp. 1</td>
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<td></td>
<td>“A Broad Carbon Tax Coalition,”</td>
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<td>ExxonMobil Energy Factor Perspectives Blog, June 21, 2017</td>
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<td>“ExxonMobil and the Carbon Tax,”</td>
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<td>ExxonMobil Energy Factor Perspectives Blog, December 2, 2015</td>
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<td>“Strengthening global energy security,” speech by former ExxonMobil CEO Rex W. Tillerson at the Woodrow Wilson International Center for Scholars, January 8, 2009</td>
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The ECS describes the potential impact on the Company’s business of a hypothetical 2ºC scenario, how the Company is adapting and implementing GHG emission reduction measures, and how the Company would be able to adapt to a lower-carbon future while remaining “well-positioned for the continuing evolution of the energy system,” including how the Company is monitoring indicators that may serve as signposts for potential acceleration in shifts to the energy landscape.

With respect to the Proposal’s essential objective, the request that the Company “support[] a pricing structure on carbon,” as the Proponent admits in the Proposal’s supporting statement, the Company has long publicly supported a carbon tax. For example, the Company notes in the ECS that “[i]n 2017 we became a founding member of the Climate Leadership Council to help promote a revenue-neutral carbon tax.” A blog post in ExxonMobil’s Energy Factor Perspectives website announcing this coalition also noted that “[f]or some time now, ExxonMobil has said that a uniform price of carbon applied consistently across the economy is a sensible approach to emissions reduction.” Another blog post on the same ExxonMobil website describes the ways in which the Company has engaged with the public on a carbon tax, including in meetings involving government officials, representatives from religious and faith-based institutions and officials from nongovernmental and academic organizations. The Company’s support for a carbon tax goes back

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2 https://energyfactor.exxonmobil.com/perspectives/broad-carbon-tax-coalition/
5 ECS, p 2.
6 ECS, p 12.
7 ECS, p 1.
8 https://energyfactor.exxonmobil.com/perspectives/broad-carbon-tax-coalition/
more than a decade: the Company’s former CEO, Rex W. Tillerson, described the benefits of a carbon tax at length in a speech at the Woodrow Wilson International Center for Scholars.10

While the Proponent requests the Company to commit to a carbon tax with a specific price per ton of carbon that the Company has not specifically endorsed, as noted below, substantial implementation does not require implementation in full or exactly as presented by a proposal, and the Company has made clear it believes a global carbon tax to be the most efficient policy tool to “lead to significant reduction in production of carbon dioxide,” as requested in the Proposal. As such, the Company’s support for a revenue-neutral carbon tax demonstrates that it has substantially implemented the Proposal’s essential objective.

Substantial implementation does not require implementation in full or exactly as presented by a proposal, and the Staff has found proposals related to climate change excludable pursuant to Rule 14a-8(i)(10) even if the Company’s actions were not identical to the guidelines of the proposal. Both Entergy Corp. and Duke Energy Corp. permitted exclusion of a shareholder proposal pursuant to Rule 14a-8(i)(10), even though the requested disclosures were not made in precisely the manner contemplated by the proponent. Numerous other letters reinforce this approach. See, e.g., Merck & Co., Inc. (March 14, 2012) (permitting exclusion of a shareholder proposal requesting a report on the safe and humane treatment of animals because the company had already provided information on its website and further information was publicly available through disclosures made to the United States Department of Agriculture); ExxonMobil Corp. (March 17, 2011) (permitting exclusion of a shareholder proposal requesting a report on the steps the company had taken to address ongoing safety concerns where the company’s “public disclosures compare[d] favorably with the guidelines of the proposal”); and ExxonMobil Corp. (January 24, 2001) (permitting exclusion of a shareholder proposal requesting the review of a pipeline project, the development of criteria for involvement in the project and a report to shareholders because it was substantially implemented by prior analysis of the project and publication of such information on the company’s website).

The essential objective of the Proposal is for the Company “to support a pricing structure on fossil fuels that will lead to significant reduction in production of carbon dioxide,” and this has been substantially implemented as shown by the disclosures contained in the Company’s ECS and other public statements. The reports prepared by the Company compare favorably with the essence of the Proposal, and thus the Proposal is excludable under Rule 14a-8(i)(10).

CONCLUSION

The Company requests confirmation that the Staff will not recommend any enforcement action if, in reliance on the foregoing, the Company omits the Proposal from its 2020 Proxy Materials. If you should have any questions or need additional information, please contact the undersigned at (972) 940-6211 or David A. Kern at (972) 940-7228. If the Staff does not concur with the Company’s position, we would appreciate an opportunity to confer with the Staff concerning these matters prior to the issuance of its response.

Respectfully yours,

James E. Parsons

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Enclosures

cc w/ enc: Active Home, LLC

Louis Goldberg
Davis Polk & Wardwell LLP
Louis.goldberg@davispolk.com
Proposal

Shareholder proposal – climate change action

According to the Exxon Mobil chairman’s letter in the 2019 Energy & Carbon Summary, “There are few challenges more important than meeting the world’s growing demand for energy while reducing environmental impacts and the risks of climate change. Exxon Mobil is committed to doing our part to help society meet this dual challenge.” So, our company is clearly committed to addressing climate change.

Burning of fossil fuels has facilitated an unprecedented advancement of the standard of living. In addition to desirable results from using fossil fuels, negative effects of the use of fossil fuels are now well understood and our company faces a threat similar to that faced by tobacco companies in the 1960s and 70s. The product that Exxon Mobil legally sells and relies on for most of its revenue, has been determined, when used for the purpose for which it is sold, to have detrimental effects on the welfare of the users of the product as well as all of the residents of the planet. In coming years this fact can be expected to become more and more clear in the minds of the public. Intangible assets, which includes a company’s brand recognition and reputation, now account for 84% of a company’s value.

Exxon Mobil understands the need to take additional action so it can be seen to be a leader in transitioning the world to a carbon neutral economy and thus avoid the impacts to the value of the company due to negative public perception of the company regarding significant action to address climate change.

Exxon Mobil resolves to support a pricing structure on fossil fuels that will lead to significant reduction in production of carbon dioxide. Such a pricing structure would be of the type in the 2019 U.S. House bill HR763 - $15 fee per metric ton fee of carbon dioxide equivalent at the introduction and increasing by $10 per ton each year – or a similar pricing structure.

Supporting statement:

Exxon Mobil is a member of the Climate Leadership Council which already supports a price on carbon. To be seen as a leader in significant climate action Exxon Mobil would need to support a pricing structure on carbon at levels that would result in more significant reductions than the pricing structure advocated by the Climate Leadership Council.

Using estimating tools it is clear that a carbon fee at the proposed levels would result in a significant reduction in the demand for fossil fuels.

We urge shareholders to vote FOR this proposal.

2 Such as the En-ROADS simulation model developed by Climate Interactive, Cambridge, MA.
Exhibit B

Shareholder Correspondence
RE: Exxonmobil shareholder proposal

Mr. Neil A. Hanson
Exxonmobil VP: Investor Relations
6959 Las Colinas Blvd.
Irving, TX 75039

December 10, 2019

Dear Mr. Hanson,

Attached is a shareholder proposal being submitted by Active Home, LLC for the 2020 Exxonmobil annual meeting.

Active Home purchased $4,000.00 of Exxonmobil stock in November of 2018 and still own this stock. I will continue to hold this stock through 2020. A letter from Computershare documenting my ownership of this stock since November 2018 has been requested. I will send it to the same address as this letter.

Please let me know of any other documentation that might be needed along with this proposal.

Sincerely,

Clark McCall
Owner, Active Home LLC
Account Number ***
416 W. Huron St. Suite #11
Ann Arbor, MI 48103
clarkem55@gmail.com
Shareholder proposal – climate change action

According to the ExxonMobil chairman’s letter in the 2019 Energy & Carbon Summary, “There are few challenges more important than meeting the world’s growing demand for energy while reducing environmental impacts and the risks of climate change. ExxonMobil is committed to doing our part to help society meet this dual challenge.” So our company is clearly committed to addressing climate change.

Unfortunately, our company faces a threat similar to that faced by tobacco companies in the 1960s and 70s. The product that ExxonMobil legally sells and relies on for most of its revenue, has been determined, when used for the purpose for which it is sold, to have detrimental effects on the welfare of the users of the product as well as all of the residents of the planet. In coming years this fact can be expected to become more and more clear in the minds of the public. Intangible assets, which includes a company’s brand recognition and reputation, now account for 84% of a company’s value1.

ExxonMobil understands the need to take additional action so it can be seen to be a leader in transitioning the world to a carbon neutral economy and thus avoid the impacts to the value of the company due to negative public perception of the company regarding significant action to address climate change.

Being a leader in transitioning can be demonstrated in the following ways. With this resolution our company commits to these changes:

1) Realigning from planning on limiting global temperature rise to 2 degrees Celsius to planning on limiting global temperature rise to 1.5 degrees Celsius.

Supporting statement:
Currently ExxonMobil’s future plans are framed with a target of 2 degrees Celsius, as in the 2019 Outlook for Energy section, “Pursuing a 2 degrees C Pathway”. The Paris Agreement’s central aim is “to keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.”2 ExxonMobil committing to a 1.5 degree limit instead of a 2 degree limit will distinguish ExxonMobil as not just a participant but as a leader in the effort to combat the worst effects of fossil fuel use.

2) Supporting a pricing structure on carbon that will lead to significant reduction in production of carbon dioxide.

Supporting statement:
ExxonMobil is a member of the Climate Leadership Council which already supports a price on carbon. To be seen as a leader in climate action ExxonMobil would need to support a pricing structure on carbon at levels that would result in more significant reductions than the pricing structure advocated by the CLC. Supporting a pricing structure such as that in the 2019 U.S. House bill HR763 - $15 per metric ton fee on carbon equivalent at the introduction and increasing by $10 per ton each year – or a similar pricing structure, would make ExxonMobil a leader in addressing climate change.

We urge shareholders to vote FOR this proposal.


Submitted by Active Home, LLC, 416 W. Huron St. Suite #11, Ann Arbor, MI, 48103, December 10, 2019, owner of 58 shares of ExxonMobil stock.
VIA UPS – OVERNIGHT DELIVERY

December 17, 2019

Mr. Clark McCall
Owner
Active Home LLC
416 W. Huron St. Suite #11
Ann Arbor, MI 48103

Dear Mr. McCall:

This will acknowledge receipt of the proposal concerning Carbon Tax Support and 1.5 Degrees Celsius Alignment (the "Proposal"), which you have submitted on behalf of Active Home LLC (the "Proponent") in connection with ExxonMobil's 2020 annual meeting of shareholders. By verification from Computershare, share ownership has been verified. However, your submission contains procedural deficiencies, which Securities and Exchange Commission ("SEC") regulations require us to bring to your attention.

Proposal Exceeds 500 Words

The SEC states that for a proposal to be eligible for inclusion in a company's proxy materials, rule 14a-8(d) requires that the proposal, including any accompanying supporting statement, not exceed 500 words. The Proposal submitted contained 537 words. To correct this deficiency you will need to revise the Proposal and any accompanying supporting statement to contain 500 words or less.

Only One Proposal

Pursuant to Rule 14a-8(c), a shareholder may submit no more than one proposal to a company for a particular shareholders' meeting. Based on your Proposal, it appears that it contains two proposals: one, realigning from planning on limiting global temperature rise to 2 degrees Celsius to planning on limiting global temperature rise to 1.5 degrees Celsius; and two, supporting a pricing structure on carbon that will lead to significant reduction in production of carbon dioxide. You must correct this procedural deficiency by indicating which of the two proposals you would like to submit and which you would like to withdraw.

Documentation of Authority

We note that the Proposal does not include proper documentation of authority from the shareholder to the representative to submit the proposal. Pursuant to SEC Staff Legal Bulletin 141, the submission of a proposal by proxy (i.e., by a representative rather than by the
shareholder directly) must include proper documentation describing the shareholder’s delegation of authority to the proxy. This documentation must:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and
- be signed and dated by the shareholder.

The shareholder according to your letter is Active Home LLC. You must provide documentary evidence as described above constituting you as authorized proxy for Active Home LLC, or otherwise demonstrating your authority to act on behalf of Active Home LLC such as by being an officer of the entity with sufficient authority, to submit the Proposal on behalf of the shareholder.

The SEC’s rules require that any response to this letter, correcting the three deficiencies noted above (re: word count, number of proposals, and your authority to represent the shareholder), must be postmarked or transmitted electronically to us no later than 14 calendar days from the date this letter is received. Please mail any response to me at ExxonMobil at the address shown above. Alternatively, you may send your response to me via facsimile at 972-940-6748, or by email to shareholderrelations@exxonmobil.com.

You should note that, if the Proposal is not withdrawn or excluded, the Proponents or the Proponent’s representative, who is qualified under New Jersey law to present the Proposal on the Proponent’s behalf, must attend the annual meeting in person to present the Proposal. Under New Jersey law, only shareholders or their duly constituted proxies are entitled as a matter of right to attend the meeting.

If the Proponent intends for a representative to present the Proposal, the Proponent must provide documentation that specifically identifies their intended representative by name and specifically authorizes the representative to act as the Proponent’s proxy at the annual meeting. To be a valid proxy entitled to attend the annual meeting, the representative must have the authority to vote the Proponent’s shares at the meeting. A copy of this authorization meeting state law requirements should be sent to my attention in advance of the meeting. The authorized representative should also bring an original signed copy of the proxy documentation to the meeting and present it at the admissions desk, together with photo identification if requested, so that our counsel may verify the representative’s authority to act on the Proponent’s behalf prior to the start of the meeting.

In the event there are co-filers for this Proposal and in light of the guidance in SEC Staff Legal Bulletin No. 14F dealing with co-filers of shareholder proposals, it is important to ensure that the lead filer has clear authority to act on behalf of all co-filers, including with respect to any potential negotiated withdrawal of the Proposal. Unless the lead filer can represent that it holds such authority on behalf of all co-filers, and considering SEC staff guidance, it will be difficult for us to engage in productive dialogue concerning this Proposal.
Note that under Staff Legal Bulletin No. 14F, the SEC will distribute no-action responses under Rule 14a-8 by email to companies and proponents. We encourage all proponents and any co-filers to include an email contact address on any additional correspondence to ensure timely communication in the event the Proposal is subject to a no-action request.

We are interested in discussing this Proposal and will contact you in the near future.

Sincerely,

[Signature]

NAH/sme
Division of Corporation Finance
Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14F (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 18, 2011

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://www.sec.gov/forms/corp_fin_interpretive.

A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;

- Common errors shareholders can avoid when submitting proof of ownership to companies;

- The submission of revised proposals;

- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and

- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D and SLB No. 14E.

B. The types of brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. Eligibility to submit a proposal under Rule 14a-8

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.¹

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.² Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.²

2. The role of the Depository Trust Company

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.⁴ The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.⁵

3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

In The Hain Celestial Group, Inc. (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.⁶ Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, Hain Celestial has required companies to
accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent’s records or against DTC’s securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8 and in light of the Commission’s discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants’ positions in a company’s securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as “record” holders of securities that are deposited at DTC. As a result, we will no longer follow Hain Celestial.

We believe that taking this approach as to who constitutes a “record” holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule, under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC’s nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the “record” holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

**How can a shareholder determine whether his or her broker or bank is a DTC participant?**

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC’s participant list, which is currently available on the Internet at http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx.

**What if a shareholder’s broker or bank is not on DTC’s participant list?**

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder’s broker or bank.

If the DTC participant knows the shareholder’s broker or bank’s holdings, but does not know the shareholder’s holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year — one from the shareholder’s broker or bank confirming the shareholder’s ownership, and the other from the DTC participant confirming the broker or bank’s ownership.

**How will the staff process no-action requests that argue for exclusion on the basis that the shareholder’s proof of ownership is not from a DTC**
C. Common errors shareholders can avoid when submitting proof of ownership to companies

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least $2,000 in market value, or 1%, of the company’s securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added). We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder’s beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date before the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date after the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder’s beneficial ownership over the required full one-year period preceding the date of the proposal’s submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder’s beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

"As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."11

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder’s securities are held if the shareholder’s broker or bank is not a DTC participant.

D. The submission of revised proposals

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.
1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company’s deadline for receiving proposals. Must the company accept the revisions?

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8(c).\textsuperscript{12} If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company’s deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.\textsuperscript{13}

2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company’s notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,\textsuperscript{14} it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder “falls in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder’s] proposals from its proxy materials for any meeting held in the following two calendar years.” With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.\textsuperscript{15}

E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act...
on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company’s no-action request.¹⁶

F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission’s website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission’s website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission’s website copies of this correspondence at the same time that we post our staff no-action response.

¹ See Rule 14a-8(b).

² For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. See Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").
3 If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

4 DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant — such as an individual investor — owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. See Proxy Mechanics Concept Release, at Section II.B.2.a.


7 See KBR Inc. v. Chevedden, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); Apache Corp. v. Chevedden, 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

8 Techne Corp. (Sept. 20, 1988).

9 In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. See Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

10 For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

11 This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

12 As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

13 This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, additional proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow Layne Christensen Co. (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by
the same proponent or notified the proponent that the earlier proposal was
excludable under the rule.

14 See, e.g., Adoption of Amendments Relating to Proposals by Security
Holdes, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

15 Because the relevant date for proving ownership under Rule 14a-8(b) is
the date the proposal is submitted, a proponent who does not adequately
prove ownership in connection with a proposal is not permitted to submit
another proposal for the same meeting on a later date.

16 Nothing in this staff position has any effect on the status of any
shareholder proposal that is not withdrawn by the proponent or its
authorized representative.


Modifed: 10/18/2011
§240.14a-8Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) Question 1: What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d–101), Schedule 13G (§240.13d–102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the
company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) Question 3: How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) Question 4: How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) Question 5: What is the deadline for submitting a proposal? (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10–Q ($249.308a of this chapter), or in shareholder reports of investment companies under §270.30d–1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section? (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later
have to make a submission under §240.14a–8 and provide you with a copy under Question 10 below, §240.14a–8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) Question 8: Must I appear personally at the shareholders' meeting to present the proposal? (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal? (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization:

Note to paragraph(i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) Violation of law: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph(i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) Violation of proxy rules: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials:
(4) Personal grievance; special interest: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) Relevance: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) Absence of power/authority: If the company would lack the power or authority to implement the proposal;

(7) Management functions: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) Relates to election: If the proposal relates to a nomination or an election for membership on the company's board of directors or analogous governing body or a procedure for such nomination or election;

(9) Conflicts with company's proposal: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) Substantially implemented: If the company has already substantially implemented the proposal;

(11) Duplication: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) Resubmissions: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) Specific amount of dividends: If the proposal relates to specific amounts of cash or stock dividends.
(j) **Question 10:** What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) **Question 11:** May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) **Question 12:** If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) **Question 13:** What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains
materially false or misleading statements that may violate our anti-fraud rule, §240.14a–9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company’s statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company’s claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a–6.

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**FROM (NAME/DEPARTMENT)**

Marie Clouthier for Sherry M. Englande

**ADDRESSED TO**

MR. CLARK MCCALL

OWNER

ACTIVE HOME LLC

416 W. HURON ST. SUITE #11

ANN ARBOR, MI 48103

**BILLING:** 100595-6401-INVESTOR RELATIONS

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**CONTACT**

MR. CLARK MCCALL

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**Shipped / Billed On**
12/17/2019

**Delivered On**
12/18/2019 11:37 A.M.

**Delivered To**
ANN ARBOR, MI, US

**Received By**
DRIVER RELEASE

**Left At**
Front Door

Thank you for giving us this opportunity to serve you. Details are only available for shipments delivered within the last 120 days. Please print for your records if you require this information after 120 days.

Sincerely,

UPS

Tracking results provided by UPS: 12/20/2019 3:17 P.M. EST
MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

FILING ENDORSEMENT

Received
JAN 03 2020

N.A. HANSEN

This is to Certify that the 2020 ANNUAL STATEMENT

for

ACTIVE HOME LLC

ID Number: 801683828

received by electronic transmission on December 30, 2019, is hereby endorsed.

Filed on December 30, 2019, by the Administrator.

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 30th day of December, 2019.

Linda Clegg, Interim Director
Corporations, Securities & Commercial Licensing Bureau
ANNUAL STATEMENT
(Required by Section 207, Act 23, Public Act of 1993)

Identification Number: 801683828

Annual Statement Filing Year: 2020

1. Limited Liability Company Name:
   ACTIVE HOME LLC

2. The street address of the limited liability company's registered office and name of the resident agent at that office:
   1. Resident Agent Name: CLARK MCCALL
   2. Street Address: 416 W HURON ST
      Apt/Suite/Other: #11
      City: ANN ARBOR
      State: MI
      Zip Code: 48103

3. Mailing address of the registered office:
   P.O. Box or Street Address: 416 W. HURON ST. #11
   Apt/Suite/Other:
   City: ANN ARBOR
   State: MI
   Zip Code: 48105

This annual statement must be signed by a member, manager, or an authorized agent.

Signed this 30th Day of December, 2019 by:

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Title if &quot;Other&quot; was selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clark McCall</td>
<td>Manager</td>
<td></td>
</tr>
</tbody>
</table>

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

DECLINE   ACCEPT
MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

FILING ENDORSEMENT

This is to Certify that the 2019 ANNUAL STATEMENT

for

ACTIVE HOME LLC

ID Number: 801683828

received by electronic transmission on October 30, 2018, is hereby endorsed.

Filed on October 30, 2018, by the Administrator.

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 30th day of October, 2018.

Julia Dale, Director
Corporations, Securities & Commercial Licensing Bureau
MI / FOREIGN LLC ANNUAL STATEMENT (YEARS: 1993-PRESENT)

(Required by Section 207, Act 23, Public Act of 1993)

Identification Number: 801683828

Annual Statement Filing Year: 2019

1. Limited Liability Company Name:
   ACTIVE HOME LLC

2. The street address of the limited liability company's registered office and name of the resident agent at that office:
   1. Resident Agent Name: CLARK MCCALL
   2. Street Address: 3355 YELLOWSTONE DR
      Apt/Suite/Other: 
      City: ANN ARBOR
      State: MI
      Zip Code: 48105

3. Mailing address of the registered office:
   3. P.O. Box or Street Address: 3355 YELLOWSTONE DR.
      Apt/Suite/Other: 
      City: ANN ARBOR
      State: MI
      Zip Code: 48105

This annual statement must be signed by a member, manager, or an authorized agent.

Signed this 30th Day of October, 2018 by:

<table>
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<tr>
<td>Clark McCall</td>
<td>Manager</td>
<td></td>
</tr>
</tbody>
</table>

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act. 

☐ Decline  ☑ Accept
Active Home LLC
416 W. Huron St.
Suite 11
Ann Arbor, MI 48103

December 31, 2019

Mr. Neil A. Hansen
Vice President, Investor Relations and Corporate Secretary
Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, TX 75039-2298

Dear Mr. Hansen:

This letter addresses the issues you brought to my attention in your letter to me dated December 17, 2019.

I have modified the proposal to specifically address a single action rather than two actions. I have modified the proposal to be under 500 words. The modified proposal is attached.

I have provided the Michigan annual statements for 2019 and 2020 for Active Home showing me as the resident agent. I am the sole owner. There are no other officers or employees. I hereby document that I am authorized to act on behalf of Active Home LLC, 416 W. Huron St #11, Ann Arbor, MI 48103.

Sincerely,

Clark McCall
Owner
Active Home LLC
clarkem55@gmail.com
Shareholder proposal – climate change action

According to the Exxon Mobil chairman's letter in the 2019 Energy & Carbon Summary, "There are few challenges more important than meeting the world's growing demand for energy while reducing environmental impacts and the risks of climate change. Exxon Mobil is committed to doing our part to help society meet this dual challenge." So, our company is clearly committed to addressing climate change.

Burning of fossil fuels has facilitated an unprecedented advancement of the standard of living. In addition to desirable results from using fossil fuels, negative effects of the use of fossil fuels are now well understood and our company faces a threat similar to that faced by tobacco companies in the 1960s and 70s. The product that Exxon Mobil legally sells and relies on for most of its revenue, has been determined, when used for the purpose for which it is sold, to have detrimental effects on the welfare of the users of the product as well as all of the residents of the planet. In coming years this fact can be expected to become more and more clear in the minds of the public. Intangible assets, which includes a company's brand recognition and reputation, now account for 84% of a company's value¹.

Exxon Mobil understands the need to take additional action so it can be seen to be a leader in transitioning the world to a carbon neutral economy and thus avoid the impacts to the value of the company due to negative public perception of the company regarding significant action to address climate change.

Exxon Mobil resolves to support a pricing structure on fossil fuels that will lead to significant reduction in production of carbon dioxide. Such a pricing structure would be of the type in the 2019 U.S. House bill HR763 - a $15 fee per metric ton fee of carbon dioxide equivalent at the introduction and increasing by $10 per ton each year – or a similar pricing structure.

Supporting statement:
Exxon Mobil is a member of the Climate Leadership Council which already supports a price on carbon. To be seen as a leader in significant climate action Exxon Mobil would need to support a pricing structure on carbon at levels that would result in more significant reductions than the pricing structure advocated by the Climate Leadership Council.

Using estimating tools² it is clear that a carbon fee at the proposed levels would result in a significant reduction in the demand for fossil fuels.

We urge shareholders to vote FOR this proposal.


²Such as the En-ROADS simulation model developed by Climate Interactive, Cambridge, MA.
Dear Mr. Clark,

We hope that this email finds you well. Neil Hansen would like to schedule an hour to discuss your proposal to align planning with 1.5DC and carbon tax support for inclusion in the 2020 Proxy Statement.

Below you will find suggested date/time (Central Time) slots. We plan for the call to be no longer than an hour. We believe proponent engagement is important and value your perspective on this proposal, so we appreciate your willingness to meet by phone. Please respond to Marie Clouthier at [email protected] or [email protected] with your preferred timing as soon as convenient.

<table>
<thead>
<tr>
<th>DATE</th>
<th>(CT) TIME SLOTS</th>
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<tr>
<td>2/5/2020</td>
<td>3-4PM</td>
</tr>
<tr>
<td>2/6/2020</td>
<td>4-5PM</td>
</tr>
</tbody>
</table>

We look forward to talking with you soon.

Sincerely,
Marie Clouthier
Exxon Mobil Corporation
Investor Relations / Office of the Secretary
Hi Marie,

Either of these times will work for me. I look forward to our conversation. Thank you.

Clark McCall

On Wed, Jan 8, 2020 at 11:24 AM Clouthier, Marie A <marie.clouthier@englande.com> wrote:

Dear Mr. Clark,

We hope that this email finds you well. Neil Hansen would like to schedule an hour to discuss your proposal to align planning with 1.5DC and carbon tax support for inclusion in the 2020 Proxy Statement.

Below you will find suggested date/time (Central Time) slots. We plan for the call to be no longer than an hour. We believe proponent engagement is important and value your perspective on this proposal, so we appreciate your willingness to meet by phone. Please respond to Marie Clouthier at [redacted] or [redacted] with your preferred timing as soon as convenient.
We look forward to talking with you soon.

Sincerely,

Marie Clouthier

Exxon Mobil Corporation

Investor Relations / Office of the Secretary
Hi Marie,

Thank you for setting this up. I look forward to talking with you.

Best Regards,
Clark McCall

On Fri, Jan 10, 2020 at 11:49 AM Clouthier, Marie A <clouthier.marie@exxonmobil.com> wrote:

Sent on behalf of Neil Hansen

→ Join Skype Meeting
Trouble Joining? Try Skype Web App

Join by phone
(USA, Dallas)  English (United States)
Find a local number

Conference ID
Forgot your dial-in PIN? Help

This is an online meeting. Please note that participants in this session could include individuals who are not affiliated with ExxonMobil.

Individuals with /ext next to their name are not affiliated with Exxon Mobil Corporation or its affiliates.