NATIONAL LEGAL AND POLICY CENTER

November 14, 2024

Mr. Joseph L. Hooley
Lead Independent Director and Chair, Nominating and Governance Committee
Exxon Mobil Corporation
22777 Springwoods Village Parkway
Spring, TX 77389

VIA UPS & EMAIL: shareholderrelations@exxonmobil.com.

Dear Mr. Hooley:

We write to request that the Board of Directors ("Board") immediately seek the resignation of Darren Woods from his positions as the Chief Executive Officer and Chairman of the Board of Exxon Mobil Corporation ("ExxonMobil" or "Company"). Failing his willingness to step down, we request the Board to vote for his removal.

National Legal and Policy Center ("NLPC") promotes ethics in public life, sponsors the Corporate Integrity Project, and is a shareholder in ExxonMobil.

Mr. Woods's recent comments at the annual United Nations Climate Change Conference ("COP29") regarding President-elect Donald Trump's plan to withdraw the United States from the Paris Accords – the voluntary climate agreement negotiated by 196 parties at the 2015 U.N. Climate Change Conference[1] – reveals Mr. Woods's serious breach of fiduciary duty to ExxonMobil shareholders. According to the *New York Times*:[2]

> Darren Woods, the chief executive of ExxonMobil, cautioned President-elect Donald J. Trump on Tuesday against withdrawing from the Paris agreement to curb climate-warming emissions, saying Mr. Trump risked leaving a void at the negotiating table.

President Trump previously withdrew the U.S. from the Paris Agreement during his first term. President Joe Biden reentered the U.S. into the agreement not long after taking office in 2021.[3] Mr. Woods told the *Wall Street Journal* that "I don't think the

---

[1] https://unfccc.int/process-and-meetings/the-paris-agreement
[2] https://www.nytimes.com/2024/11/12/business/energy-environment/exxon-mobil-baku-climate-cop29.html?smid=nytcore-ios-share&referringSource=articleShare&sgrp=c-cb
[3] https://www.politico.eu/article/donald-trump-paris-agreement-climate-sustainability-us-cop29-global-pact-warm/

stops and starts are the right thing for businesses," Woods said. "It is extremely inefficient. It creates a lot of uncertainty."[4]

Further, Mr. Woods also defended the Inflation Reduction Act ("IRA"), signed into law by President Biden,[5] because ExxonMobil has become reliant on government subsidies and special tax treatment to support its carbon capture initiatives:[6]

> Woods told CNBC on Tuesday that Exxon's investments in technologies to lower emissions depend on federal tax credits that were established or expanded under the IRA. He warned that the company's investments in these technologies would change if the incentives are weakened or repealed.
>
> "There needs to be an incentive to reward those investments and generate a return," Woods said. "If we find that those incentives dissipate or go away entirely, then that would definitely change our investment plans."
>
> Wood previously said Exxon's oil and gas production levels will not change, at least in the short term, in response to the outcome of the U.S. presidential election.
>
> "I'm not sure how 'drill, baby, drill' translates into policy," Woods told CNBC's "Squawk Box" on Nov. 1, referencing one of Trump's campaign slogans.

When did ExxonMobil become something other than an oil and gas company? Under Mr. Woods's leadership, ExxonMobil has pursued untested, government-subsidized climate initiatives that do not align with the best financial interests of shareholders.

By endorsing the IRA and other subsidy-driven gimmicks and schemes, Mr. Woods has subjected the Company to volatile political dynamics and regulatory risks that could jeopardize its profitability if the policies are scaled back or repealed. This approach undermines ExxonMobil's traditional strengths in the energy sector by relying on the goodwill of policymakers rather than robust, market-driven demand for hydrocarbon energy.

ExxonMobil's legacy and competitive advantage have been built on the exploration, extraction, and refinement of hydrocarbons[7]—assets essential to the global

---

[4] https://www.wsj.com/business/energy-oil/exxon-says-trump-should-keep-u-s-in-paris-climate-pact-3d8de471
[5] https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/
[6] https://www.cnbc.com/2024/11/12/exxon-ceo-says-trump-should-keep-us-involved-in-global-effort-to-address-climate-change.html
[7] https://corporate.exxonmobil.com/who-we-are/our-global-organization/our-history

economy. Pivoting to less profitable ventures based on the deeply flawed premise of climate stewardship weakens the Company's position within the energy market, particularly as other oil and gas competitors capitalize on unmet global demand. This path represents a breach of Mr. Woods's fiduciary duty to maximize shareholder value, and to protect the company's competitive advantage and long-term stability.

NLPC filed a shareholder proposal with the Company in 2024 that encouraged the board to revisit executive incentives for unprofitable initiatives such as carbon capture and storage, and other schemes driven by climate alarmism.[8] The Board opposed the Proposal, choosing to double down on unproven ventures tied to government subsidies and climate-agenda emissions metrics rather than refocusing on ExxonMobil's profitable oil and gas operations. This decision reflects an ongoing misalignment between the Board's actions and its obligations to shareholders, who expect a commitment to maximizing long-term value rather than chasing politically motivated, risky investments.

Mr. Woods has been around long enough to know that political priorities in the U.S, especially those surrounding energy production, constantly change – usually every four years, or at least eight. Constructing a profit center that can only survive thanks to the good graces of politicians is not a service or product worth investing in, and Mr. Woods should know better.

Considering Mr. Woods's reluctance to prioritize the company's core business and the Board's apparent disregard for shareholder concerns, new leadership is necessary to realign ExxonMobil with its traditional strengths and secure a dependably profitable future. Mr. Woods's resignation would be a crucial step in reaffirming the company's commitment to fiduciary duty and operational excellence in the energy sector. Barring that step, the Board should seek to remove and replace him.

I can be reached at [redacted] or at [redacted] if you have any further questions. Further correspondence can also be sent to me at [redacted].

Sincerely,

LPerlot

Luke Perlot
Associate Director
Corporate Integrity Project

8 https://d1io3yog0oux5.cloudfront.net/6b895eacfe2939ac6a66c96a79c2043c/exxonmobil/db/2301/22254/proxy_statement/2024+ExxonMobil+Proxy+Statement.pdf