

**OVERVIEW OF EFFORTS MADE BY THE MIDWEST CAPUCHIN FRANCISCANS AND
OTHER RELIGIOUS SHAREHOLDERS IN ICCR
REGARDING EXXON MOBIL AND CLIMATE CHANGE
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On November 5, 1996 Michael Crosby files a shareholder resolution on behalf of his Province of St. Joseph of the Capuchin Order (the Midwest Capuchin Franciscans) with Exxon after reading “in *The New York Times* and *BusinessWeek* that EXXON is the largest company in the U.S. without any women in top management.” The resolution asks for a Glass Ceiling review to address the problem. A subsequent meeting of Peter Townsend, Exxon Corporate Secretary, and other principals of Exxon with Crosby at a hotel in Kenosha, Wisconsin. The meeting leads Crosby to withdraw the resolution, believing the Company has been able to demonstrate that it has women in “the pipeline” for upward mobility.

In October, 1997 Lee R. Raymond, CEO of Exxon, gave a talk at the 15th World Petroleum Congress in Beijing. In it he questioned whether there was global warming, whether human factors contributed to it, and why developing nations should now have curbs on their energy expansion.

As Corporate Responsibility Agent for the Province of St. Joseph of the Capuchin Order, Mike Crosby called Peter Townsend, Secretary of Exxon. He and Mike had agreed at the aforementioned Kenosha meeting that, if Mike was concerned about something with Exxon, Mike would contact him before filing a shareholder resolution. Faithful to the agreement, Mike asked for an explanation of Mr. Raymond’s remarks as they had been reported by *The Wall Street Journal*. He stated that Raymond had been misquoted. Mike asked for a copy of his talk.

Upon reading Lee Raymond’s actual remarks Mike called Townsend telling him his remarks were worse than what was reported. It was agreed that a meeting would take place.

At the November meeting of the Interfaith Center on Corporate Responsibility (ICCR), Mike shared his desire to meet on the issue with Exxon. Sr. Pat Daly suggested that John Passacantando of Ozone Action join Mike for the meeting. It was agreed.

Mike and John met in Dallas at Exxon’s headquarters the following week. Representing Exxon was Townsend and Frank Sprow, VP for Environmental Issues. After 2 ½ hours, Mike informed them that, unlike their presentation on the Glass Ceiling in Kenosha, their presentation had not demonstrated that they were addressing the issue responsibly and that they would be receiving a shareholder resolution.

Building on a report of the Beijing talk in *Business Week* (“Global Warming: Is There Still Room for Doubt?,” Nov. 3, 1997), a shareholder resolution was filed calling on Exxon to create a committee of outside directors to independently review and issue a report to shareholders regarding the impact of climate change on the company’s policies and practices. We recommended that the study include any anticipated liabilities Exxon might incur from its possible contribution to the problem and what Exxon could do to reduce carbon dioxide emissions from its fossil fuels.

Exxon challenged our resolution at the SEC. Its main argument was that we had made false and misleading statements. We countered by noting our remarks were all based on the *Business Week*’s report of Lee Raymond’s remarks. We also noted that the one scientist named by Exxon to support its position of questioning the results of the Intergovernmental Panel on Climate Change had disassociated himself from such a portrayal. We prevailed entirely at the SEC. Exxon now would have to put the issue before the shareholders.

The proxy for the annual meeting of Exxon in April included the resolution.

A five person contingent representing the shareholders connected to the Interfaith Center on Corporate Responsibility, Friends of the Earth and Ozone Action went to Exxon’s annual meeting. The topic of global warming dominated the business portion of the meeting (transcript available from Exxon’s Shareholder/Investor Relations Department). The resolution got 4.6% of the vote.

In conjunction with this meeting a discussion among the participants raised the need to take our concerns about Exxon and its leadership to undermine public policy related to diminishing global warming's human factors to a broader level. After this, I prepared the enclosed: "Global Warming, Climate Change, Greenhouse Gases and Exxon" summarizing our efforts thus far.

In May, Bob Massie, Director of the Coalition for Environmentally Responsible Economies (CERES) convened a meeting at the office of Wade Green in New York. Wade is responsible for some of the monies of members of the Rockefeller Family. Invited were some of the interested parties. The question related to the possibility of making some kind of united campaign regarding Exxon. Main parties would be the religious shareholders and environmental groups. It was decided there was enough interest and a potential for funding.

Two subsequent meetings took place. Two overall goals were agreed upon: 1) To secure acknowledgment by the energy-related industry/ies that climate change is taking place, that it is provoked by human activity emitting greenhouse gases and 2) To challenge companies which market and/or have products burning fossil fuels to accept responsibility for their part in climate change. Special emphasis shall be placed on Exxon (and its affiliates such as Esso and Imperial in other countries). At a September meeting in New York, "Campaign Exxon" was structured around the theme: "They Did It to Alaska; Now They're Doing It to the Planet."

On November 11, 1998 Mike called Peter Townsend at Exxon. He asked him if the company had made any significant changes in its stance toward global warming since the annual meeting in April. He indicated that the company was always open to new findings in science; however any changes it may have made would not be "considered radical enough by you." In the phone conversation I indicated that we were expanding our concerns related to Exxon beyond the traditional shareholder approach. This was my way of informing him of "Campaign Exxon."

On November 13, 1998 a shareholder resolution for the 1999 annual meeting of Exxon was filed. While the "resolved" remained the same as that in 1998, the "whereas" statements were resculptured to address Exxon's stance which it articulated at the 1998 annual meeting.

On November 19, 1998, the deadline for submission of shareholder resolutions, 20 other groups had joined the Capuchins in co-filing the shareholder resolution.

That same day, Peter Townsend sent an overnight letter to me asking for a meeting. In subsequent phone conversations he made it clear that Exxon had made enough changes to merit such a meeting. The first time a meeting could take place with the shareholders and Coordinating Committee of Campaign Exxon was February 11 in New York.

Exxon again challenged the resolution at the Securities and Exchange Commission and again was unable to prevail. The resolution would go to the shareholders in the proxy.

The February 11 meeting in New York involved three people for Exxon, including Spro and Townsend, filers of the resolution and members of the Steering Committee of Campaign Exxon. The meeting took more than two hours. However it was unproductive because Exxon failed to agree on the basic issue of whether or not global warming even existed, much less whether human factors contributed to it, including the burning of fossil fuels.

Between February and the annual meetings of Exxon and Mobil (who had announced plans for a merger), plans took place to have a major presence at the annual meetings in Dallas of both corporations. Ozone Action agreed to coordinate, with Environmental Media Services, our public presence. This included a campaign flier and an inflatable balloon that would link global warming and the 10th anniversary of the Exxon Valdez.

We received very good press at the annual meeting of Exxon, if not Mobil. However the vote was not sufficient for the same issue of global warming to be brought back in 2000.

A conference call of the Steering Committee July 22 reviewed the year, especially the annual meeting, and made a commitment among the members to work toward hiring a Coordinator.

Members gave initial thoughts on potential candidates. Individual members of the Steering Committee were assigned to “shepherd” potential candidates. A timeline was created. Michelle Chan-Fishel volunteered to get a Job Description for the Coordinator to the Steering Committee for review and comments. Mike was to get core materials on Campaign Exxon to the members for themselves and distribution to candidates. Mike would ascertain how much monies are at hand.

On August 22 a Conference Call firmed up the job description. It would be made available to the potential candidates, with the materials provided by Mike and the campaign flyer from Ozone Action/Environmental Media Services. Potential candidates are Scott Adams, Peter Altman, Elizabeth McGovern, Ray Rogers and Nikos Valance. Interviews with the candidates would take place during ICCR’s meeting in New York, Sept. 15-17.

After contacting Peter Townsend of Exxon, Mike learned that the “new” company after the merger of Exxon and Mobil will legally be Exxon. Mobil will be merged into Exxon. The new name will be Exxon/Mobil. Regulators in the U.S. and Europe are expected to give their response to the merger toward the end of the third quarter. Consequently a new resolution would be needed for the AGM of Exxon/Mobil. Mike drafted a resolution and submitted it to Ariane van Buren.

September 8. Ariane and Paul Neuhauser make changes for the resolution.

Campaign ExxonMobil (CEM) receives seed monies from Wade Green (\$15,000), CERES (\$5,000), the Franciscan Sisters of Perpetual Adoration (\$1,000) and the Midwest Capuchin Franciscans (\$25,000). The Presbyterians commit themselves to work for a social analysis of Exxon’s Board and structure to be done by Ray Rogers. Subsequent monies come from the Turner Foundation, W. Alton Joes, Citizen Advisors, Domini and Walden Asset Management.

Townsend and Crosby talked on Nov. 11, 1999. On November 19, 1999, because the previous year’s resolution on climate change did not gain a sufficient amount of the vote (5.3%, when it needed 6%), the Midwest Capuchins filed a resolution asking the company to promote renewable energy sources as a way of “moving from its existing over-dependence on fossil fuels.” Over thirty groups join as co-filers. ExxonMobil (XOM) challenges the resolution at the SEC, arguing that it was false and misleading and that it covered “ordinary business.” Paul Neuhauser responded. The SEC ruled against Exxon’s arguments. The resolved was amended in March, 2000 to indicate it reflected the proponents’ *belief*. On December 10 Townsend and Crosby talk more about the merits of a meeting.

Meanwhile the Caldwell Dominicans filed a resolution “Linking Social And Environmental Concerns in Determining Exec. Comp.” XOM challenged. They also lost.

On January 6, 2000 CEM is announced. Peter Altman is its Director. This is noted January 10, 2000 in the *WSJ*: “Activists to Turn Up Heat on Exxon Mobil in Rift over Climate.”

At the annual meeting, Lee Raymond made remarks that led to a request for the actual transcript. This led to a series of letters between Crosby and T. Peter Townsend who basically said XOM did not have a transcript (while not acknowledging the existence of other records of the AGM). The renewables resolution garners 6.2% while the Executive Compensation resolution received 7.7%, enabling both to be filed again.

On October 8, 2000 the Capuchins refile the resolution on renewables. 34 co-filers joined. On January 5, 2001 Townsend asks for a rewording of certain statements. Some are made while others are rejected because they were self-serving vis-à-vis the company. On January 23 the company challenged the resolution at the SEC. On Feb. 23 Paul Neuhauser responded. The company counter-challenged on March 2, 2001. While rejecting XOM’s overall request, it suggested the need for changes to be made in the resolution. These were done.

Earlier, on January 29, 2001 Townsend asks for a meeting, giving a rationale as to why it would be justified. On February 9 Crosby responds that it seems nothing has substantially changed in XOM’s position and any meeting would be “a rehash of what we have heard for three years.” He

noted that “we may be wrong” and were open to have a meeting if substantial movement had been made. Townsend responded on Feb. 16 and Crosby reiterated his position on Feb. 21 about the Company’s need to make substantial changes. Meanwhile, at XOM’s suggestion certain changes were made in the resolution.

On Earth Day, 2001 Tom Paine ran an op-ed piece on the shareholder effort of religious groups at XOM in the same spot in the *New York Times* reserved by XOM’s op-ed ads. It highlights “Sister Pat Daly” and “Father Mike Crosby,” linking both to the upcoming shareholder meeting and votes. Bianca Jagger attended the meeting and spoke at a large rally outside the meeting as well as inside the meeting. Inside, the Midwest Capuchin-led resolution on renewables garners 8.9% of the vote and is able to be returned. The executive comp resolution of the Caldwell Dominicans gets 9.5%. At the meeting Rev. Robert Sirico of the Acton Institute spoke. He defended Lee Raymond and, according to the *Fort Worth Star Telegram [FWST]* (May 31, 2001), “Lashed critics for using ‘leftist, class-conflict’ rhetoric.” Rather than speak directly to the issues identified in the shareholder resolutions he opined that the real purpose of the filers from the various religious communities was to undermine the free enterprise system itself. His comments were not addressed by the filers. Raymond and Crosby had tense interaction. When Lee Raymond referred to the annual meeting as “his,” Crosby responded: “This is not your meeting, Mr. Raymond. This is the shareholders meeting” (Marcus Kabel). Raymond also criticized Daly and Crosby for declining to come to Dallas earlier to discuss their views. Crosby said the invitation was rejected “because ExxonMobil made clear its policies would not change, making a visit pointless” (*FWST*).

On June 1, 2001 Thomas Friedman writes about the Esso Campaign in his NYT column.

On June 9, 2001 Daly, Crosby and Rev. Somplatsky-Jarman write to various XOM outside directors. On August 31, 2001 Townsend replies.

In Fall, 2001 resolutions on GHG emissions are filed with General Mills, Sprint, Bristol-Meyers and Campbell Soup; the CEOs of these companies sit on the Board of Directors of XOM. These are withdrawn after dialogues take place. In 2003 efforts are made to contact the outside directors again. None respond directly.

The Capuchins and Caldwell Dominicans update and refile their resolutions for the May, 2002 annual meeting. A meeting is held in New York Feb. 6, 2002 between representatives of ICCR (Crosby, Daly, Neuhauser, Nora Nash OSF, Tracey Rembert, Ariane van Buren) and XOM (Peter Townsend and the incoming Secretary, Pat Mulva; weather kept in Dallas Ken Cohen, Brian Flannery and Frank Sprow who spoke by speaker phone).

In April, 2002 CERES published a report prepared by the New York-based investment research firm, Innovest, “Value at Risk: Climate Change and the Future of Governance.” It argued that climate change risk is embedded into every business and investment portfolio in the U.S. It also argued that addressing issues of climate change risk is an essential part of good governance and fiduciary responsibility.

Upon the issuance of the 2002 proxies, CEM releases in May, A Claros Discussion Paper by Mark Mansley: “Risking Shareholder Value? ExxonMobil and Climate Change: An Investigation of Unnecessary Risks and Missed Opportunities.” The study, commissioned by CEM, CERES and shareholder Robert A. G. Monks. It is widely distributed to institutional investors.

At the AGM, because of the support on the renewables resolution the Capuchins double the previous year’s vote: from 8.9% to 20.2%. The Caldwell Dominican-led resolution gets 7.9%, making it ineligible for a vote at the next year’s annual meeting. The day before this meeting the Acton Institute issues a press release through an entity called “U.S. Newswire:” “‘Irresponsible Activism’ on the Part of Religious Environmental Activists Threatens Necessary Economic Development,” referring to “Exxon Mobile’s [sic] annual shareholders meeting, set to take place tomorrow in Dallas, Texas.” Throughout the press release the name of the company is spelt wrong.

That evening (May 28, 2002) Crosby writes to U.S. Newswire noting that, far from reflecting some fringe groups, the resolution sponsored by the Capuchins “has been supported by CALPERS, the largest pension fund in the United States. It is also supported by NYCERS.” He also noted the ISS endorsement. Commenting on the press releases allegation that the “forces that led to the resolution not only have a “woeful lack of understanding of fussiness, specifically, and economics, broadly speaking” [sic], Crosby (who has a Masters Degree in Economics) noted that the press release never addressed the “whereas” statements, much less the “resolved” statements.

Crosby followed up on this with a call to the Acton Institute asking about its funding sources. Sirico replied on June 7 indicated that the Acton Institute maintained “a policy of confidentiality as to specific donors and amounts.” He invited Crosby “and an individual of your choosing” to join him in a “public exchange of ideas on the topic of ‘Corporate Governance in a Free and Virtuous Society.’” Given Sirico’s previous castigation and labeling of his group, Crosby declined the invitation until Sirico would evidence a different approach than “attacking others with generalizations, or trying to besmirch them with ad hominem regarding their knowledge, expertise or good will.”

In its July 1, 2002 edition the *FWST* featured an extended op-ed piece by Peter Altman challenging XOM’s position: “A Wake-Up Call from Investors.” On November 18, 2002 filers and Peter Altman meet with Pat Mulva, Ken Cohen and Brian Flannery. Altman follows-up with questions on December 2, 2002.

The Capuchins refile the renewables resolution in Fall, 2002. It gets 21.3% of the vote in Spring, 2003. The Caldwell Dominicans create a new resolution for the 2003 AGM asking XOM to describe “any operating, financial and reputational risks to the company associated with climate change” and how the company “will mitigate the risks.” Twenty-six other groups co-file. It receives 22.2%. Under the headline: “Environmental Groups Gain as Companies Vote on Issues,” the *New York Times* comments on these votes, along with other large votes at similar energy companies: “No one expected any of these resolutions to win majority support. But they are a measure of the increasing intensity of shareholders’ challenges to corporations to respond to environmental concerns” (May 29, 2003).

Before the annual meeting, CEM has run ads in *Pensions and Investments* (May 12, 2003) and the back cover of *The Nation* (May 19, 2003) addressing the issue and the “independence” of its outside directors. A day before the XOM AGM Greenpeace “infiltrated the company’s Irving headquarters and prowled the grounds in tiger suits” (*Dallas Morning News*, May 28, 2003). On the day of the annual meeting, a large number of “pro-ExxonMobil picketers, many wearing “Tyranny Response Square’ T-shirts, far outnumbered the handful of anti-Exxon protesters picketing on the other side of the street” (*WSJ*, May 29, 2003). The day of the annual meeting *TNYT* runs an article: “Exxon Backs Groups that Question Global Warming” (*NYT* May 28, 2003). Noting the company’s previous “pledge of \$10 million in annual donations for 10 years to Stanford University for climate research,” it continues: “At the same time, the company, the world’s largest oil and gas concern, has increased donations to Washing-based policy groups that, like ExxonMobil itself, question the human role in global warming and argue that proposed government polices to limit carbon dioxide emissions associated with global warming are too heavy handed.” The article noted that the company “now gives more than \$1 million a year to such organizations.” At the meeting itself, Crosby calls for a “point of order.” He comments on the article, asking that any person and/or group speaking from the floor of the AGM should declare whether or not they have received monies from XOM. One of the groups represented is the Acton Institute for the Study of Religion and Liberty. It received \$30,000 in 2002.

In a subsequent article in *Plastics News* (Dec. 1, 2003), Rev. Gerald Zandstra, of the Acton Institute wrote of the meeting: “There is nothing wrong with religious leaders having and voicing

opinions on matters of public import; by doing so they can fulfill a vital and prophetic role in society.” However, he added, he “spoke against” Crosby and Sr. Patricia Daly (note that he spoke against them as persons, not to their issues), because they had “been captured and are being used by radical environmental, leftist organizations to which they lend moral legitimacy.” The attacks continued. Crosby refers to this article in a subsequent book he writes, after getting clearance from Zandstra as to the accuracy of his statement reported in *Plastics News*.

The two groups adapt and refile their resolutions in Fall, 2003 for the 2004 AGM (Capuchins ask the company to bring renewables into its energy mix; the Caldwell Dominicans ask it to report on how it will “significantly reduce carbon dioxide and other greenhouse gas emissions”). In addition, Christian Brothers’ Investment Service (CBIS) files a separate resolution asking XOM to “make available to shareholders all research data relevant to ExxonMobil’s stated position on the science of climate change.”

XOM challenges all resolutions at the SEC. Before receiving the endorsement of the Board of Directors, the Company sends a “*Report on Energy Trends, Greenhouse Gas Emissions and Alternative Energy*” to the SEC, arguing the Board will be signing off on this, thus making all three resolutions moot, basically accomplished (since all asked for “a report”). Paul Neuhauser, ICCR’s lawyer, argues that this “report” does not adequately address the concerns raised. ExxonMobil responds. The SEC rules in favor of XOM’s position (ie, a report is a report) for the Capuchin-led and Caldwell-Dominican-led resolutions. The CBIS resolution is allowed to remain. It gets 8.8% of the vote, without endorsement of ISS.

CBIS plans to refile its resolution. Crosby develops a resolution with the help of CERES and others a new resolution for the Midwest Capuchins. Noting the fact that an increasing number of countries in which the company operates will have been signatories to the Kyoto Protocol, the resolution asks XOM’s Board to “undertake a comprehensive review and publish within six months of the annual meeting a report on how ExxonMobil will meet the greenhouse gas reduction targets of those countries in which it operates which have adopted the Kyoto Protocol.” Pat Daly creates a new resolution, noting the absence of outside directors having expertise in the energy field. It asks for “two independent Directors who, without any conflicts of interest vis-à-vis ExxonMobil, hold expertise in the oil, gas or energy industry.” The company challenges all resolutions at the SEC. Paul Neuhauser responds; the company makes counter-challenges. It loses all three challenges at the SEC. On May 13 ISS indicates it will not support the CBIS or Caldwell Dominican resolutions but will endorse that of the Province of St. Joseph of the Capuchin Order.

Meanwhile, on Feb. 10 Henry Hubble has called Michael Crosby. They have an extended conversation around the former’s desire to find a way, independent of the shareholder resolution and annual meeting conflict, to move the issues of the concerned members of ICCR. Crosby indicates his concerns with XOM’s position but also his and the filers’ joint desire to find a way to resolve the ongoing tensions. He notes that he feels XOM has had the same “mantra” about global warming since 1997 when the Capuchins began discussions with XOM on the subject.

On April 26, 2005 Henry Hubble writes John Wilson in response to the latter’s earlier, Dec. 14, 2004 letter to him. In it he declares that: “we believe there continue to be substantial and well-documented gaps in climate science that must be addressed. You stated in your letter that, ‘Our understanding of the current state of climate science is that although uncertainties exist—as would be true in all science—these do not challenge the basic consensus that warming is underway, that human activities are a major influence on climate. . .’ It appears that we agree that uncertainties in the science exist, but disagree that there is a ‘consensus.’”

A follow-up meeting was held Monday, May 9, 2005 in New York at the Ritz Carlton Hotel. Representing ICCR groups were: Crosby of the Midwest Capuchins, Sr. Pat Daly of the Caldwell Dominicans, John Wilson of CBIS, and Leslie Lowe, staff person at ICCR for its Energy and

Environment Working Group. Representing XOM were Henry Hubble and David Henry. The meeting went from 2:30 – 4:30. It addressed past history, issues and processes, including our belief that XOM (given its April 26, 2005 letter above) had not changed its position on global warming and its funding of “front groups” such as the Acton Institute and those people demonstrating outside the annual meeting at its last two AGMS. The ICCR participants have with them the June issue of *Mother Jones* which has a cover feature: “As the World Burns: Think Tanks and Journalists Funded by ExxonMobil Are Out to Convince You Global Warming Is a Hoax.” The same day *The Wall Street Journal* reports that GE has announced a 1.5 billion effort at “ecomagination” that includes “an investment, marketing and policy initiative that addresses global warming and other environmental issues.” The ICCR group asks for similar imaginative and financial outlays.

The next day, Tuesday, May 10th, 450 people, including public and private pension funds worth \$3 trillion, convene at the United Nations for a Summit on Climate Risk. Crosby, Daly and Lowe participate in the event, partially sponsored by CERES.

In pre-annual meeting discussions with XOM, Michael Crosby says that the shareholders and their supporters are not expecting to have any kind of “outside demonstration” at the XOM Annual Meeting. He notes that this should be enough to keep XOM from having its supporters outside, as in the past meetings. He again asks if XOM has funded such groups but is not given an answer.

On May 23, 2005 the Fort Worth Star Telegram runs an op-ed piece by Michael Crosby: “THE BUSINESS END OF GLOBAL WARMING.” He notes how ExxonMobil stands out among other companies in resisting any acknowledgement of the data around GW, much less making real efforts to bring about a future of energy less dependent on fossil fuels.

On May 24, the day before the annual meeting, a Toronto-based group making a documentary on Global Warming follows around the shareholders as they meet with the press and prepare their strategy for the AGM. Unable to get any contact at XOM for its comments, Michael Crosby calls Henry Hubble asking him to enable the television crew to have access. Almost immediately they receive a call from Tom Cirigliano of XOM’s Media Department. In the call he disparages the integrity and veracity of Michael Crosby. Mike follows up on this with concern at the AGM to Henry Hubble and a letter to Cirigliano, June 2. A copy was sent to Lee Raymond, Henry Hubble and David Henry. The letter is available upon request. Cirigliano responds with an irate call to Crosby.

The votes at the annual meeting May 25 are enough to enable the resolutions on Outside Directors and the Science behind XOM’s Position on Global Warming to be returned for the 2006 AGM. However it is notable that more than 28% of the shares are voted in favor of the “Implement Kyoto” resolution.

Given the previous history and the fact that shareholders were not allowed by Lee Raymond to engage the Outside Directors of XOM, representatives of the three main proponents of the 2005 resolutions (Midwest Capuchins, Caldwell Dominicans and CBIS) wrote a letter in June, 2005 to the Outside Directors of XOM asking for a “Climate Summit.” They noted that they were writing the letter because We do this for various reasons:

1. We have been stagnated almost from the beginning on the issue.
2. We have proposed such a meeting at least since December, 2004.
3. We believe this would be a creative way to respond to Henry Hubble’s desire that we find alternative ways to address effectively our shareholder concerns outside the traditional way of filing resolutions and appearance at the annual meeting.
4. We again proposed this at our meeting with Henry Hubble and David Henry in New York May 9th. They promised they would take our proposal to the appropriate people and get back to us. Since then nothing has happened.

There was no response from them nor from XOM.

On September 13, Henry Hubble sends Crosby an overnight letter (with copies to the other primary filers and some others) inviting him to an “Opinion Leaders Summit” in December. Crosby responds on September 19 indicating his disappointment that, “after asking ExxonMobil’s leadership since December, 2004 for a ‘summit’ that would listen to mutually-agreed upon spokespeople representing the views of various scientific communities on global warming and renewables, that you have chosen to to move in this objective direction.”

Upon receiving clarification of questions raised in his letter, Crosby agrees to participate in an October 4, 2005 letter to Hubble.

The “Opinion Leaders” conference was held Dec. 4-6 in Boston at the Hotel at MIT. Eight VPs and Managers of XOM and 9 NGOs participated. The meeting covered three topics: Transparency and Human Rights, Corporate Governance and Global Warming. The brunt of the time was spent on Global Warming. Mike Crosby made a report of this that is available upon request.

As a follow-up to the Opinion Leaders meeting, Crosby informed the members of Campaign ExxonMobil that the Company has starting using a different rhetoric related to the existence of GW, the contribution of GHG to GW and the impact of fossil fuel combustion to GHG and GW. He indicates his concern that XOM will be able to weasel a way with the SEC that will have it repeat its acceptance of the argument of “substantially implemented” and “mootness” as it has done in the past, even if we disagree as to what XOM is actually saying.

It is decided that all previous resolutions will be re-filed by the December 15 deadline. However Crosby indicates his concern that we be prepared to have other resolutions in case XOM acts in similar ways as in the past, especially in its anticipated “Global Trends in Energy” report. He works with Paul Neuhauser on three resolutions: executive compensation linked to social and environmental criteria along with fiscal criteria and a new resolution asking XOM’s Board to make a “policy making the company a recognized leader in low-carbon production and products.” The LaGrange Sisters of St. Joseph file on Kyoto, the Milwaukee Province of the School Sisters of Notre Dame file on Exec. Comp and the Midwest Capuchins become primary filer on the “low-carbon” resolution, with its 400 shares. This resolution is co-filed by the Adrian Dominican Sisters (100 shares), Brethren Benefit Trust/Boston Common Asset Management (42,024 shares) and Catholic Healthcare West (40,800 shares).

On January 20, 2006 and February 3, 2006 XOM files its challenges at the SEC on the Kyoto, Science and Low-Carbon resolutions. A month later Henry Hubble calls the primary filers for discussion on the subject. While such are held they shareholders ask why XOM would not first try to dialogue on the concerns as the filers asked in their letters. Hubble argues something about meeting SEC deadlines.

Given the materials and the awareness of how broadly the SEC interprets “substantially implemented” and “mootness,” the resolutions on Kyoto and Science are withdrawn.

On February 2, 2006 Crosby writes the SEC with 15 points as to why the resolution should remain. He follows-up on this with another 26 points (including the amended 15 points) on February 27. He indicates in both that these are written to accompany the anticipated formal letter from their lawyer, Paul Neuhauser.

On March 16, Mark F. Vilaro from the SEC faxed Paul Neuhauser asking him to “let me know when you plan to submit your letters in the Exxon (low carbon emissions) and Wal-Mart (health costs) matters, as both of these matters have been with the staff over 50 days and are in the final stages of review.” Neuhauser responds that he will be responding.

Neuhauser submits his letter to the SEC (dated March 19) the next week, on March 21 or 22. Meanwhile the SEC issues a “no-action” letter on March 19.

Crosby sends a third overnight letter to the SEC on March 23. In it he uses an article from *The New York Times*, with background data, showing that ExxonMobil is far behind its main competitors (BP, Shell and Chevron) in bringing about a low-carbon energy future.

The next day (March 24) Crosby receives by ground mail the “no-action” letter of the SEC to XOM’s challenge. He calls Neuhauser for clarification. Neuhauser immediately writes to Mark Vilardo indicating that an apparent “miscommunications between your office and the undersigned” have resulted in a no-action response without have received the materials from Neuhauser’s office. With the letter faxed to Vilardo he requests “the Staff reconsider its grant of Exxon’s no-action request in light of (i) the information contained in my letter of March 19, 2006 and (ii) the supplemental information sent to the Staff on March 23, 2006 [by Crosby], concerning the study on carbon emissions published on March 21, 2006 by the Investor Responsibility Research Center.”

Meanwhile Crosby contacts Henry Hubble at XOM. He asks that, given the problem in communication, that he be allowed special time to address the resolution. Hubble says he will get back to Crosby. He calls back saying that there will be no time given Crosby to address the issue but that it can be brought up, along with other concerns of shareholders at the Q + A section.

The conversation then moves to Crosby inviting Hubble to find a way, apart from the “Opinion Leaders” approach, to “make us go away” by convincing us who are religious shareholders and, therefore, trying to be ethical, that XOM’s position is correct when, at the present time, we do not feel it is. Crosby offered Hubble a timeline with December, 2006 as the goal (the time when resolutions would be filed). Between March and September, Crosby suggested such a meeting take place. XOM would convince us that its approach is right and we would seriously consider not filing for 2007 or, if there was no agreement that XOM’s approach is adequately addressing the issue of global warming and need for alternative energy sources we would file. This would involve response before the AGM as to the idea or XOM’s suggested alternative approach, XOM’s realization that the basic thrust of resolutions is set in September and that the filing of next year’s resolutions is December, 2007.

May 25, 2006: Crosby writes a “Letter to the Editor” of the Wall Street Journal. It is a reflection on Pete DuPont’s “Don’t Be Worried” [about global warming] piece, May 23, 2006. Crosby notes that neither DuPont nor the WSJ had a disclaimer that XOM had been a key contributor to DuPont’s Dallas-based National Center for Policy Analysis. Since 1998 NCPA received \$390,900 from XOM. In 2005 it gave NCPA \$75,000. It is not published.

May 31: 2006. XOM Annual Meeting. A demonstration about global warming and XOM sponsored by ExxposeExxon takes place outside. An ice sculpture of the Exxon logo is placed across the street from the Meyerson Symphony Hall where the AGM will meet, to be melted by the end of the meeting. Rex Tillerson is much more amenable to the shareholders than Lee Raymond. Crosby compliments him for the civil and warm way he has engaged the shareholders and his effort to respond to their concerns. Because there are almost 15 resolutions, the time frame is shortened. The meeting lasts almost 3 hours. Crosby compliments Rex Tillerson on the civil way he handles the meeting. Afterwards Crosby meets with Thom Gill. He works with Henry Hubble and David Henry. He promises follow-up.

XOM presses for a meeting of the shareholders. Crosby says he fears it will be a repeat of the Boston meeting. However, since the other shareholders and their advisors have not heard the presentation it could be important to them to know where, at this point, the company is “coming from.” This takes place July 18, 2006.

July 28, 2006. Thom Gill, David Henry and Henry Hubble talk to Michael Crosby re: meeting with other shareholders. Crosby reiterates his concern that they disassociate themselves from funding the “junk science” entities; he notes that one of them is the Acton Institute that has been funded by XOM. They indicate they are not familiar with its operations. Crosby notes that

they have been at the XOM agms of the past and have been particularly offensive in the way they make sweeping generalizations about the motives of the shareholders challenging capitalism itself rather than addressing the issue of GW. Crosby reiterates his offer to “make us go away” by convening a meeting limited to the XOM shareholders addressing the energy issue. They say they will consider this. Crosby gives them the timeline for the shareholders to reach their decisions about filing: summer: preparing ideas; September ICCR meeting: getting more concrete about resolutions and, post-ICCR until the December 13 filing, finalizing the resolutions. He suggested the Company find a way to convene us so that this can be averted. They agree to look into the matter. The conversation continues on Crosby’s cell-phone until the battery runs down. They promise to continue the conversation.

September 20, 2006. At the ICCR meeting, the press reports that the Royal Society of England has written an unprecedented letter to XOM challenging it about its obstructionistic approach to global warming and asking it to stop funding “junk science.” Crosby calls Thom Gill. He says he will send XOM’s response to the Royal Society request. This is faxed. A latter call says that XOM plans to have a fuller response to the request in “2 or 3 weeks.”

Nothing transpires after this until mid-November. Crosby e-mails Gill asking what has happened. Gill apologizes for the lack of follow-up. Crosby again raises the issue of XOM’s funding of “junk science” and groups challenging the shareholders’ positions on energy and environment and repeats his request for a meeting of XOM with its shareholders and their advisors that would be limited to energy/environmental issues. Gill promises to “get back” to Crosby.

On November 28, 2006 Crosby writes Thom Gill vis-à-vis “the two conversations we have had since August, 2006.” The first call dealt with Crosby’s concerns that XOM was still funding groups challenging the science on global warming, including the Acton Institute. The second call was that noted above regarding the Royal Society. Crosby writes: “I am almost convinced you told me that ExxonMobil would be having a formal response to the letter from the Royal Society’s concern (shared with you by us for some years) about its funding such groups ‘within three weeks.’ It now has been over two months and nothing has come to me about this.

He also forewarns Gill that he believes XOM will soon be receiving various shareholder resolutions from ICCR members and others. He reiterates his invitation regarding a desired meeting with XOM limited to those shareholders and their consultants who are concerned about its stance vis-à-vis its energy-choices and the integrity of the environment. He writes: “I had indicated we would like to find a way of reaching common ground so that we would see no need to continue to bring forth such resolutions. Since we have not been convinced by XOM that this has yet happened, I have been led to believe various resolutions will be forthcoming. I know you will be getting something from us,” i.e., the Midwest Capuchin Franciscans.

Pat Daly oversees the filing of a resolution calling for absolute targets for reductions of greenhouse gases for XOM processes and products. Crosby waits until the last minute, working on two resolutions addressing the need for XOM to move into renewables. Working with Tim Smith of Walden Asset Management, Steve Vidermann files a Crosby-written resolution asking XOM’s Board “to adopt a policy of significantly increasing renewable energy sourcing globally, with recommended goals in the range of between 15%-25% of its energy sourcing by between 2015-2025.” Crosby writes the Capuchin-led resolution; it asks the XOM Board to report (at reasonable cost and omitting proprietary information) by September 1, 2007 ExxonMobil’s response to rising regulatory, competitive and public pressure to develop renewable energy technologies and products. It is filed December 12, 2006. The State of Connecticut joins the Capuchins as a co-filer.

Crosby e-mails Gill, Hubble and Henry on Jan. 4, 2007 regarding that day’s NYT article on the study by the Union of Concerned Scientists about XOM’s funding junk science. That same day he sends another e-mail to Gill noting that he had not received a purported letter from Gill to

Crosby sent on November 17 about the Acton Institute. Gill responds, noting that \$50,000 was given the Acton Institute in 2006. Crosby responds that “\$50,000 to Acton in 2006 is no chump change!”

On January 8, 2007 Thomas Gill responds to Crosby’s letter of Nov. 28. He notes that he wrote on Nov. 17, 2006 responding to his specific questions. He acknowledges that Acton received \$50,000 in 2005 and another \$50,000 in 2006. He adds: “We have not yet made a decision as regards support for the Acton Institute in 2007 or beyond.” He notes that “ExxonMobil’s position on climate change continues to be misunderstood by some individuals and groups. Hopefully, as we continue our outreach efforts and provide information about the company’s approach to this important issue this misunderstanding will dissipate.” He adds:

“With respect to the shareholder proposal you presented. . . we understand that you feel ExxonMobil should be investing more in the development of renewable energy technologies and products. Our position is straightforward and consistent with our disciplined and very successful capital-use strategy. We have not yet identified commercial investment opportunities in this area where we can deliver significant differentiation.”

On January 18 XOM lawyers make formal response to the SEC for clearance to exclude the three shareholder resolutions. The basic argument is “substantially implemented,” given its previous reports.

On February 13, 2007 Exxon Chief Executive Rex Tillerson acknowledged Tuesday that the earth is warming and that the oil industry should cut carbon emissions, although he warned against "impulsive" energy policy. "Our industry has a responsibility to contribute to policy debates and to take concrete steps to reduce emissions," he said, speaking at an annual industry gathering in Houston sponsored by Cambridge Energy Research Associates. Crosby and others are quoted in the press indicating that this shift still is not offering viable alternatives, given the crisis.

On February 19 Paul Neuhauser, ICCR’s lawyer, submits his response to XOM’s SEC challenge on the Daly and Viederman resolutions. On March 4, he submits his response to XOM’s SEC challenge on the Crosby resolution.

On March 2, 2007 XOM sends Crosby (and, presumably the other primary filers) its proposed “Statement in Opposition” to the Capuchin resolution in case the SEC rules against its request to exclude the resolution.

On March 12, having received no response from the SEC, Crosby consults with Neuhauser regarding the advisability of send the SEC a follow-up to the March 4 Neuhauser submission. He indicates he does not think it would hurt the chances of success. The same day Crosby submits to the SEC his addenda to the Neuhauser submission. It states:

1. Our proposal asks ExxonMobil to report on its plans to develop renewable energy products and technologies. In today’s *Wall Street Journal*, ExxonMobil makes it clear that it has *no plans* to do so. The article reported Rex Tillerson, Exxon’s Chairman and Chief executive officer as refusing to change its direction, saying: “ I prefer to stay with what we know.”
2. Over this past weekend the EU agreed to move from its present –7% of renewables in its energy mix to 20% in 2020. ExxonMobil still insists that only 3% of energy will come from renewables in 2030 *NYT* 03.10.07). Its data in its past “Reports” is clearly challengable, given this decision, at least in Europe, where it has a significant presence.
3. Today’s *Wall Street Journal* reports ExxonMobil’s two main global competitors, BP PLC and Royal Dutch Shell are betting “on wind power’s long-term viability” and “planning to erect what would be some of the biggest wind farms in the world, with thousands of wind turbines costing some \$2 million apiece.” It is occurring in ExxonMobil’s own state, Texas.

4. Again, in the same article, a chart appears that challenges ExxonMobil's previously-noted data regarding the amount of renewables in the future energy mix of the U.S. In 2004 renewables (excluding hydro) constituted 2% of electricity generated; in 2030 it will be 8%.
5. In today's *New York Times* scientists are reporting that global warming is more critical than has been previously reported. They are calling for the development of different sources of energy than those that have led to our present problem. Thus the import of our resolution.

Crosby e-mails a copy of his SEC submission to Thomas Gill, again asking for a meeting of the shareholders who have raised energy-based issues with XOM. He receives no response.

Ted Yu, esq., of the SEC contacts Paul Neuhauser noting that it does not have Neuhauser's response to the Capuchin shareholder proposal. Leslie Lowe and Michael Crosby both send Mr. Yu an e-mail with the Neuhauser submission.

On March 19, 2007 the SEC informs Steve Vidermann that it has rejected XOM's arguments as to why it should be able to omit his renewables resolution.

On March 23 a conference call is held between XOM (David Henry, Henry Hubble and Thom Gill) and shareholder representatives (Michael Crosby, Pat Daly, Leslie Lowe and John Wilson of ICCR, Tracey Rembert of SEIU and Don Kirschbaum of the State of Connecticut). The originally-stated purpose of the call of XOM to Pat Daley was to have a conversation that would motivate the filers to withdraw their resolutions. The conversation again addressed XOM's funding of groups downplaying the findings related to global warming and the policies being developed to mitigate it. XOM said that if they ever found that any of the groups had made wrong statements they would stop funding them; otherwise they felt that they had the right to speak. Crosby challenged the statement, noting that he had informed XOM of misstatements by the Acton Institute related to the ICCR groups wanting to "overthrow the free enterprise system" and that, even after he made the company aware of this Acton received \$50,000.

A key element of this part of the discussion is the way XOM says something at one time that seems undermined or taken back by another. Mike Crosby brought up the fact that this engenders mistrust of the company. He used as examples the opposition to Al Gore by some congresspeople from Oklahoma and Texas who actually dismissed the data of the IPCC, which made him ask "how much are they getting from XOM?" He also noted the fact that XOM had hired Philip A. Cooney, the very person in the Bush Administration who had made every attempt to water down reports on GW. (Earlier, on March 19 Cooney had spoken on the issue at a hearing of the House Committee on Oversight and Government Reform, acknowledging that he had no scientific background but had "sole loyalties" to "the President and his administration"). The XOM representatives made no response to this. The other part of the conversation revolved around the Caldwell Dominican-led resolution (Pat Daly) asking for specific reductions to GHG. The arguments against this were the traditional ones, especially the need for level playing fields. Mike asked if they were prepared to abide by the protocols that had recently been set for reductions in the EU. When they said they would be he asked why they could not make these universally applicable.

That night David Henry called Mike Crosby informing him that the SEC had accepted XOM's arguments as to disallowing the Midwest Capuchin's resolution on GW (but recalled that the Steve Viederman resolution on renewables would be on the ballot. He also noted that the Reductions Resolution would be on the ballot.