

April 3, 1992

Dear Exxon Shareholder:

You have by now received Exxon's proxy statement for the 1992 annual meeting. I wish to call to your attention a shareholder proposal I am making for the establishment of a committee of shareholder representatives. This is the sixth item of business at the meeting and appears at pgs. 16 - 17 of the proxy statement.

Let me explain what this proposal is all about. I believe a company does better for its shareholders if shareholders get actively involved in seeing that the company is managed well. Companies are managed by their boards of directors, so that positive shareholder involvement means intelligently evaluating what the directors do and interacting constructively with the board. This calls for an active, informed shareholder representative.

In the case of large publicly held companies like Exxon, there usually is not a large shareholder who can fill this role. The largest shareholders of most large U.S. companies are institutional investors -- mutual funds, insurance companies, public or private employee benefit plans -- that hold significant equity stakes in many hundreds of companies. These institutions don't have the resources to play an active, informed shareholder role in their various portfolio companies.

My proposal would establish a three-person committee to take on the role of active, informed shareholder representatives. The three persons would be selected by shareholders, and the cost would be borne by the company -- hence proportionately by all shareholders.

How would this work? At each annual meeting shareholders would elect three persons to be members of the committee. Candidates would be nominated by shareholders. Large long-term shareholders, i.e., shareholders (or groups of shareholders) who beneficially own, and have owned continuously for three years, at least \$10 million in market value of common stock, would have the right to have their nominees included in the company's proxy statement. (Other shareholders could nominate candidates, but I would expect those candidates that are included in the company's proxy statement would have the best chance of being elected.)

Committee members would be paid by the company in an amount equal to half the average amount a nonemployed Exxon director is paid* and would be entitled to a reimbursement of expenses and the same indemnification rights as an Exxon director. I believe this is necessary in order to attract capable and responsible individuals as committee members.

Sometimes the active, informed shareholder role requires expert assistance -- for example, investment banking advice on whether shareholder interests would be served by some type of recapitalization or reorganization. No one shareholder can be expected to spend its own money exploring such issues in depth. The committee would be authorized to engage such expert assistance at the company's expense. I would not expect such expenses normally to be significant in amount. In any event, such expenses in any year would be limited to 1 cent per share outstanding (approximately \$12.4 million).

The committee's functions would be (1) to review the management of the business and affairs of the company by the board of directors, (2) to advise the board of its views and the views of shareholders which are expressed to the committee, and (3) to report to shareholders (in a report of not more than 2,500 words in the company's proxy statement) its evaluation of the

* The compensation of nonemployee Exxon directors is set forth on page 2 of the proxy statement.

management of the company by the directors and its recommendations on any matters proposed for action by shareholders. I would expect the committee to fulfill these functions by informing itself (hopefully, with the help of company management) on the fundamental strategic issues facing the company, obtaining independent expert assistance (if necessary) in evaluating these issues, and seeking and receiving input from shareholders on these matters.

I do not believe having such a committee need be "cumbersome and expensive." I do not believe such a committee "is likely to interfere with and reduce the efficiency" of the management of Exxon by its board of directors. Nor do I believe such a committee "would duplicate the shareholder communication efforts of the Investor Relations Department" of Exxon.

I fully understand why a board of directors would be reluctant to endorse a proposal to establish a committee to review and evaluate the board's performance. I believe, however, that shareholders, as owners, would be better off -- and shareholder values would be enhanced -- if they got actively involved in seeing that their company is managed well. This is a responsibility of share ownership. I believe my proposal to establish a shareholders' committee to take on the role of active, informed shareholder representatives is a positive first step in this process. I urge you to support it.

Sincerely,

Robert A.G. Monks

Robert A.G. Monks is the president and sole shareholder of Institutional Shareholder Partners, Inc. ("ISP"), a consulting firm for institutional shareholders, whose office is located at 3333 Water Street, N.W., Suite 220, Washington, D.C. 20007. Mr. Monks owns 1325 shares of Exxon common stock. Mr. Monks and ISP are soliciting the execution of Exxon proxies in favor of Mr. Monks' proposal for a committee of shareholder representatives but are not furnishing their own form of proxy for use at the annual meeting of Exxon shareholders. Their interest in the matters set forth herein is solely in connection with their business activities of providing services to institutional shareholders. Mr. Monks will bear the entire cost of the solicitation. Under rules of the Securities and Exchange Commission, this letter may constitute proxy soliciting material, and all the information in the Exxon proxy statement dated March 6, 1992 is incorporated herein by this reference. Mr. Monks and ISP, through its officers, employees and agents, may contact shareholders and others personally, by telephone or in writing, and intend to respond to inquiries, orally or in writing, regarding the matters set forth herein.