

# **EXHIBIT A**

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SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

PEOPLE OF THE STATE OF )  
NEW YORK, By BARBARA D. )  
UNDERWOOD, Attorney )  
General of the State of )  
New York, )  
Plaintiff, )

) Index No. 452044/2018

- against - )

EXXON MOBIL )  
CORPORATION, )  
Defendant. )

\*\*\*\*\*

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ORAL AND VIDEOTAPED DEPOSITION OF  
REX TILLERSON  
JUNE 19, 2019

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ORAL AND VIDEOTAPED DEPOSITION OF REX TILLERSON,  
produced as a witness at the instance of the Plaintiff,  
and duly sworn, was taken in the above-styled and  
numbered cause on the 19th day of June, 2019, from 9:04  
a.m. to 4:08 p.m., before Julie C. Brandt, RMR, CRR, and  
CSR in and for the State of Texas, reported by machine  
shorthand, at the offices of Squire Patton Boggs, 2000  
McKinney Avenue, Suite 1700, Dallas, Texas.

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Page 10	<p>1 At that point I began to have jobs that were a</p> <p>2 combination of technical and managerial up -- and</p> <p>3 various assignments, again, in Exxon Company USA. In</p> <p>4 1990 -- ultimately rising to division production</p> <p>5 manager.</p> <p>6 In 1992, I was moved to Dallas, to Las Colinas</p> <p>7 to work as an adviser to the Exxon Mobil Management</p> <p>8 Committee and Board for two years, and then I went to</p> <p>9 Exxon Company International in New Jersey in 1994, where</p> <p>10 I was manager of international natural gas sales for a</p> <p>11 few months. And then I became president of Exxon Yemen</p> <p>12 and SO Exploration Korat, Inc., which was our upstream</p> <p>13 Thai affiliate in Thailand Bangkok.</p> <p>14 Following that, I was named vice president of</p> <p>15 Exxon Ventures CIS and president of Exxon Neftegas,</p> <p>16 Limited, which was our Russian affiliate that was</p> <p>17 responsible for the Sakhalin Island development of</p> <p>18 operations.</p> <p>19 Following that, at the Exxon Mobil merger, I</p> <p>20 moved back to Houston and became executive vice</p> <p>21 president of Exxon Development Company.</p> <p>22 After two years there, I moved to the</p> <p>23 corporation as a senior vice president in the upstream.</p> <p>24 2004, I was named president of the corporation</p> <p>25 and a director, a member of the Board of Directors.</p>	Page 12
Page 11	<p>1 2006, I was named Chairman and CEO.</p> <p>2 Q. And how long did you hold the position of</p> <p>3 Chairman and CEO?</p> <p>4 A. Until December 31, 2016.</p> <p>5 Q. It's sort of self-evident, but what were your</p> <p>6 responsibilities as Chairman and CEO of Exxon?</p> <p>7 A. Well, the overall management of the</p> <p>8 corporation's affairs, as well as working with the Board</p> <p>9 of Directors, chairing the Board as Chairman of the</p> <p>10 Board of Directors, and ensuring that the corporation's</p> <p>11 activities were carried out in accordance with all the</p> <p>12 laws, rules, regulations around the world. And then an</p> <p>13 important part of that responsibility is developing the</p> <p>14 people and ensuring that we have competent people in a</p> <p>15 chain of succession throughout the organization so that</p> <p>16 we have competent managers and supervisors. Developing</p> <p>17 people was a big part of those responsibilities.</p> <p>18 Q. And who did you report to?</p> <p>19 A. The Board of Directors.</p> <p>20 Q. And approximately how many people reported</p> <p>21 directly to you?</p> <p>22 A. I'd have to get an organization chart out to</p> <p>23 look, but I'm going to say about 18.</p> <p>24 Q. Okay. And do you --</p> <p>25 A. Roughly.</p>	Page 13
	<p>1 Q. Roughly.</p> <p>2 A. It might be plus or minus a few.</p> <p>3 Q. Fair enough.</p> <p>4 Do currently you have any role with respect to</p> <p>5 Exxon?</p> <p>6 A. No.</p> <p>7 Q. And are you currently employed?</p> <p>8 A. No.</p> <p>9 Q. I am going to now ask you about your time at</p> <p>10 Exxon. I am going to focus on your time when you were</p> <p>11 Chairman and CEO of Exxon unless I state otherwise.</p> <p>12 Could you describe Exxon's annual corporate</p> <p>13 planning process?</p> <p>14 A. It's a process that -- it really begins with</p> <p>15 the development of our Energy Outlook, which starts</p> <p>16 really in the late spring. And this is a bottom-up</p> <p>17 development of Exxon Mobil's view of global energy</p> <p>18 supply/demand and all of the factors that contribute to</p> <p>19 the demand side, as well as the supply side, in all</p> <p>20 segments of energy related activities. So not just oil,</p> <p>21 natural gas, power generation. So all aspects.</p> <p>22 That outlook is really the fundamental basis</p> <p>23 then for setting the plan guidelines that the</p> <p>24 corporation then provides to the business units around</p> <p>25 the -- around the world and within the corporation for</p>	
	<p>1 them to then develop their strategic plans and their</p> <p>2 operational plans for the coming year, which is</p> <p>3 important in terms of the near term, but also then to</p> <p>4 develop their long-term plans, looking out into the</p> <p>5 future, whether it be investment plans that they might</p> <p>6 be considering, a strategic direction they want to take</p> <p>7 with their business line. And then the business lines</p> <p>8 develop those plans in a great deal of granularity.</p> <p>9 They're a consolidated business line level, and the</p> <p>10 president of the business lines then would bring those</p> <p>11 to the corporation for our review, discussion about</p> <p>12 those plans, our understanding, and then ultimately that</p> <p>13 all gets consolidated and reviewed with the Board of</p> <p>14 Directors at kind of an upstream E &amp; P level, downstream</p> <p>15 refining fuels marketing level, chemicals company, and</p> <p>16 then research activities. And that's all consolidated</p> <p>17 results in the Corporate Plan as a consolidated effort.</p> <p>18 That sets our direction for the next -- the</p> <p>19 immediate next 12 to 18 months, but then gives us some</p> <p>20 directional indication of where we're going longer term</p> <p>21 in those activities, because most all of the investment</p> <p>22 activities play out over multiple years in terms of</p> <p>23 getting to a decision, but also operationally, then</p> <p>24 these investment projects may go on for 50 plus years.</p> <p>25 Q. And what was your role in the annual corporate</p>	

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<p style="text-align: right;">Page 66</p> <p>1 investment decisions, whatnot. So, yeah, it is true  2 that if you said the basis in the guide was \$80, that  3 would be more burdensome on high emissions projects than  4 \$40 would be. It also would provide greater incentive  5 from a cost avoidance standpoint for existing operations  6 to reduce emissions. 80 would provide more incentives  7 than 40 would. 40 would not debit emissions cost as  8 much as 80. So the fact that it's 40 instead of 80 or  9 100 or 20, it's kind of an academic debate. And that's  10 what, you know, we asked these folks to do, is think  11 about what's really representative of where the  12 regulatory environment is likely to go, what are  13 governments likely to do, and then let's test, where  14 appropriate, how that affects -- you test. We tell the  15 organization, you test how that affects the projects,  16 the opportunities you're considering and here is some  17 guidance on how to do it and here is somebody to call.  18 This whole discussion about the Energy Outlook  19 proxy cost versus the plan guidance, I am not sure what  20 these folks were trying to -- I am not sure what they  21 were getting at at that time, and I don't remember -- I  22 don't remember it either.  23 Q. (BY MS. BERGER) Well, the email says that  24 Mr. Eizember had pointed it out to you several years  25 previously.</p>	<p style="text-align: right;">Page 68</p> <p>1 whatever, then, yes, it's going to grow, absent any  2 actions of mitigation that are taken.  3 Q. At the bottom of Mr. Eizember's email at the  4 top he says, I will point out the differences this year  5 again if the consensus is to stay with the \$40.  6 Do you recall any discussion with Mr. Eizember  7 in and around April of 2011 where he pointed out the  8 differences to you?  9 A. No. It's just too long ago. I don't recall.  10 Q. I want to focus now on investor inquiries  11 during your time as CEO and Chairman.  12 A. Uh-huh.  13 Q. What responsibilities, if any, did you have  14 with responding to questions from Exxon's shareholders?  15 A. Well, those would typically be forwarded to  16 the Investor Relations organization, who would  17 oftentimes contact the shareholder that was writing me  18 or writing them, depending on how they came in, to  19 ensure they understood what's -- you know, what's your  20 concern, what's your question.  21 They would then review with me, you know, what  22 the issue was, what the circumstances were and  23 recommendations on how we wanted to respond to try to  24 answer those concerns or answer those questions.  25 Sometimes it's just a question people were just asking.</p>
<p style="text-align: right;">Page 67</p> <p>1 A. Uh-huh.  2 Q. And so is it your testimony you just don't  3 recall any of those discussions?  4 A. Yeah, I just -- I don't recall us having a lot  5 of conversation about it. I mean, if he says he pointed  6 it out to me, I don't -- I mean, I am not doubting what  7 Mr. Eizember has written. I am just telling you I don't  8 remember. So obviously they weren't -- they weren't  9 substantive discussions because they didn't stick with  10 me.  11 Q. Okay. And around this time, April of 2011,  12 what was the approximate percentage of Exxon's projects  13 that increased GHG emissions, as compared to Exxon's  14 projects that decreased GHG emissions?  15 A. I would have no way to know without looking at  16 other information.  17 Q. Is it fair to say that around this time that  18 the vast majority of Exxon's projects increased GHG  19 emissions?  20 A. The nature of Exxon Mobil's business, the  21 petroleum and petrochemical business, is an intensive  22 industrial process that does emit greenhouse gases.  23 That is a true statement. So anything we do that  24 expands that business, if it is not offset by things  25 that are being taken out of service, shut down,</p>	<p style="text-align: right;">Page 69</p> <p>1 Q. Was there some procedure for tracking  2 questions and responses to shareholder questions?  3 A. I think Investor Relations kept track of those  4 and the corporate secretary --  5 Q. Yeah. Okay.  6 A. -- as part of Investor Relations.  7 Q. Did you have in-person meetings with Exxon  8 shareholders?  9 A. On occasion.  10 Q. Was there -- was there sort of a regular  11 cadence, or would it --  12 A. No, no.  13 Q. Was it more --  14 A. It was very much on a, as we viewed, it would  15 be useful to do so, you know. Obviously, if I made  16 myself available to every shareholder, I would have a  17 tough time doing my job.  18 Q. Yeah. Fair enough.  19 Was there some -- what went into the decisions  20 as to when you would meet with shareholders?  21 A. Well, I think it would be -- it was the nature  22 of the concern that was being expressed, the level of  23 interest amongst shareholders, an opportunity where it  24 was just -- an opportunity for us to clarify depending  25 on what the issue was and an opportunity for them to</p>

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Page 106	<p>1 discussions within Exxon around this time about</p> <p>2 preparing a report to address this?</p> <p>3 A. Well, yes, we discussed every request that</p> <p>4 came in. This one specific -- I mean, I don't remember</p> <p>5 specifics around any one of them.</p> <p>6 Q. Okay.</p> <p>7 A. But we discussed every request that would come</p> <p>8 in.</p> <p>9 Q. Do you remember any conversations with</p> <p>10 Mr. Rosenthal or anyone in Investor Relations about</p> <p>11 responding to this letter?</p> <p>12 A. I'm sure we had conversations, but, again, I</p> <p>13 don't remember this letter specifically, you know,</p> <p>14 standing apart from other similar requests that we might</p> <p>15 get.</p> <p>16 Q. Do you recall that the response to this became</p> <p>17 part of -- in addition to a number of other shareholder</p> <p>18 proposals, that the response became the two reports</p> <p>19 issued by Exxon on March 31, 2014?</p> <p>20 A. I don't remember whether it did or not.</p> <p>21 MS. BERGER: I think now would be a good</p> <p>22 time to break for lunch.</p> <p>23 MR. TOAL: Fine with us.</p> <p>24 THE VIDEOGRAPHER: We're going off the</p> <p>25 record at 12:23 p.m.</p>	Page 108	<p>1 the first paragraph of the email refresh your</p> <p>2 recollection that the Energy and Climate Report was</p> <p>3 issued by Exxon in response to a shareholder proposal</p> <p>4 that was then withdrawn?</p> <p>5 A. Yes.</p> <p>6 Q. Okay. And the email then says, RWT reviewed</p> <p>7 the document and found it acceptable. Is RWT a</p> <p>8 reference to you?</p> <p>9 A. I believe it is, yes.</p> <p>10 Q. Okay. Do you recall reviewing a draft of this</p> <p>11 report in or around March 21, 2014?</p> <p>12 A. I recall the report and I suspect there were</p> <p>13 probably two or three back and forths on it, but I don't</p> <p>14 recall anything specific to it other than that.</p> <p>15 Q. What do you recall about your role with</p> <p>16 respect to the report?</p> <p>17 A. I reviewed the report to ensure it was</p> <p>18 accurate, to ensure that it was fully responsive to what</p> <p>19 the shareholder inquiries were about, and then approved</p> <p>20 its final release.</p> <p>21 Q. Okay. And then if I could just direct your</p> <p>22 attention of this draft to pages 5 through 7. It's</p> <p>23 Section 5 entitled "Proxy Cost For Emissions Policy,"</p> <p>24 and continues on 6 and then to the top of 7. And all I</p> <p>25 want to ask is if you recall providing any edits to this</p>
Page 107	<p>1 (Break from 12:23 p.m. to 1:18 p.m.)</p> <p>2 THE VIDEOGRAPHER: We are going back on</p> <p>3 the record at 1:18 p.m.</p> <p>4 (Exhibit 109 marked.)</p> <p>5 Q. (BY MS. BERGER) Good afternoon, Secretary</p> <p>6 Tillerson. I'm going to hand you a document that's been</p> <p>7 marked as Exhibit 109.</p> <p>8 A. Okay.</p> <p>9 Q. This is an email exchange between Robert</p> <p>10 Luetzgen and Mr. Colton. You're not on the email</p> <p>11 exchange, but it references and attaches a document that</p> <p>12 was shared with you, and the document is a draft of the</p> <p>13 Energy and Climate Report.</p> <p>14 A. Okay. Are these --</p> <p>15 Q. So --</p> <p>16 A. Are they the same?</p> <p>17 Q. So one is what we call a native copy, and</p> <p>18 that's going to have the paragraphs that are referenced</p> <p>19 and highlighted in red, and those appear on pages 18 and</p> <p>20 19, but otherwise I can represent to you that they are</p> <p>21 the same document --</p> <p>22 A. Okay.</p> <p>23 Q. -- aside from the red highlights.</p> <p>24 A. Okay.</p> <p>25 Q. So directing your attention to the email, does</p>	Page 109	<p>1 section of the report?</p> <p>2 A. You're asking about Section 5?</p> <p>3 Q. Section 5.</p> <p>4 A. Yeah.</p> <p>5 Q. Which appears on page 5?</p> <p>6 A. Right.</p> <p>7 Q. Through the top of 7.</p> <p>8 A. Right. And your question was whether I recall</p> <p>9 making any edits?</p> <p>10 Q. That's right.</p> <p>11 A. I do not recall making any edits to this</p> <p>12 section.</p> <p>13 MS. BERGER: Tab 21, please.</p> <p>14 (Exhibit 110 marked.)</p> <p>15 Q. (BY MS. BERGER) Okay. You've just been</p> <p>16 handed a document marked Exhibit 110. This is a</p> <p>17 March 31, 2014 letter from David Rosenthal to</p> <p>18 Mr. Viederman, and it attaches a copy of the report</p> <p>19 entitled "Energy and Climate" as well as a list of items</p> <p>20 addressed in the report.</p> <p>21 A. Okay.</p> <p>22 Q. So in the cover letter, Mr. Rosenthal is</p> <p>23 writing to Mr. Viederman, This follows our discussion in</p> <p>24 December and February and your withdrawal of the</p> <p>25 shareholder proposal on planning assumptions on behalf</p>

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<p style="text-align: right;">Page 114</p> <p>1 Mobil's planning. And then the sentence goes on. What 2 is that GHG proxy cost? Is that the proxy cost of 3 carbon in the Energy Outlook? 4 A. Yes. 5 Q. And how is that -- how does that relate to 6 Exxon Mobil's planning in this context? 7 A. Well, as we've discussed, the proxy cost is 8 part of the Energy Outlook development. So that's where 9 you see the impacts on sectoral demand, which then has 10 an impact on supply, which then impacts our view of how 11 prices might behave. So that's why it's integral to the 12 planning process. 13 Q. I just want to direct your attention to page 14 7. 15 A. Uh-huh. 16 Q. And the second sentence of the first full 17 paragraph it continues, Exxon Mobil's proxy cost seeks 18 to reflect a reasonable approximation of cost associated 19 with policies that a society may impose over time on GHG 20 emissions. And then the sentence continues. 21 Is it your understanding that's also a 22 reference of the proxy cost of carbon reflected in the 23 Energy Outlook? 24 A. Yes. 25 Q. And just directing your attention to page 20</p>	<p style="text-align: right;">Page 116</p> <p>1 Q. And so is this sentence then a description of 2 both the proxy cost of carbon in the Energy Outlook, as 3 well as the GHG planning basis in the Dataguide? 4 A. Well, we don't reference the Dataguide here, 5 and most people would be unaware of the Dataguide. 6 That's why we wouldn't reference it. They wouldn't know 7 what we were talking about. I guess as I read it, we 8 specifically reference the proxy cost of carbon because 9 there's been a lengthy discussion of it. 10 Q. Uh-huh. 11 A. And so what's being made clear here is that 12 that proxy cost of carbon is used in evaluating all 13 those investment -- evaluating capital expenditures and 14 developing business plans because of the impact it has 15 on supply, demand trends and ultimately on our -- our 16 view of long-term pricing. 17 (Exhibit 111 marked.) 18 Q. (BY MS. BERGER) You've just been handed a 19 document marked Exhibit 111. 20 A. Uh-huh. 21 Q. This is an email from Mr. Luetggen on March 22 28, 2014 to Mr. Trelenberg and others. Here again, 23 you're not copied on the email, but you're referenced 24 in -- in the email, and it attaches a draft of the 25 Energy and Carbon, Managing the Risks report.</p>
<p style="text-align: right;">Page 115</p> <p>1 of the report. In the second sentence of the first full 2 paragraph it reads, Exxon Mobil requires that all 3 business units use a consistent corporate planning 4 basis, including the proxy cost of carbon discussed 5 above, in evaluating capital expenditures and developing 6 business plans. 7 A. Uh-huh. 8 Q. Is that a reference to the proxy cost of 9 carbon in the Energy Outlook or the GHG planning basis 10 in the Dataguide? 11 A. Well, the specific reference here, if you're 12 asking including the proxy cost of carbon discussed 13 above is the proxy cost of carbon that's in the Energy 14 Outlook, which then drives the price bases that the 15 organization is supposed to use for all investment 16 evaluations. 17 It then references, I guess, the corporate 18 planning basis. And I think as you -- as you know from 19 documents you showed me earlier, the corporate planning 20 basis provided both guidance on how to apply GHG cost to 21 individual investments, and then the proxy cost, which 22 is embedded in the Energy Outlook. So you really have 23 these two separate mechanisms that the organization is 24 directed to use in different ways. You know, that's how 25 they'll -- that's how they'll be seen.</p>	<p style="text-align: right;">Page 117</p> <p>1 A. Okay. Okay. 2 Q. The email notes Mr. Luetggen writes that FYI 3 David is sharing the attached with RWT. Do you 4 understand RWT to be a reference to you? 5 A. Yes. 6 Q. And do you understand David to be a reference 7 to Mr. Rosenthal? 8 A. I assume it is, yes. 9 Q. Okay. And do you remember Mr. Rosenthal 10 sharing a draft of this report with you on or about 11 March 28, 2014? 12 A. I don't recall, but he likely would have. 13 Q. And could you just describe your role with 14 respect to both reviewing and finalizing this report? 15 A. Similar to the earlier report we looked at. I 16 would review it to ensure what we were saying was 17 accurate, was consistent, and was responsive to the 18 request that we were trying to address, and then I would 19 have signed off on its release. 20 Q. And just directing your attention to pages 17 21 and 18 of this draft. Do you recall providing any 22 specific edits to the sections on 17 and 18? 23 A. I don't recall making any specific edits. 24 Q. And so just to -- just to be complete, 25 directing your attention to page 21, the discussion of</p>

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<p>1 the print. It provides a source -- source of that  2 analysis down at the bottom. I'm having a hard time  3 reading it, but --  4 Q. I can read it from mine. It's US Climate  5 Change Science Program Synthesis and Assessment Product,  6 Massachusetts Institute of Technology.  7 A. Okay. So it's a range of potential cost of  8 CO2 mitigation actions to hold CO2 emissions to those  9 levels in the atmosphere, or not let them go beyond  10 that.  11 Q. And what is the \$2,013 in the graph underneath  12 additional CO2 costs for average American households  13 mean?  14 A. That's just -- you just pick a year of the  15 analysis so that it's on a constant dollar basis. In  16 other words, it's like they picked \$2,000 for the graph  17 on the left. The analysis on the right it looks like  18 \$2,013 were picked. It's just to give you a benchmark  19 basis point for it.  20 Q. And then does this analysis also assume that  21 households will continue to use the same energy mix that  22 they did in 2013 through 2100?  23 A. I don't know.  24 Q. Is it also assuming that household income is  25 going to remain constant from 2013 through 2100?</p>	<p>1 asked and answered.  2 A. I don't -- not that I can recall.  3 Q. (BY MS. BERGER) Okay. Do you know who Guy  4 Powell is?  5 A. The name is familiar.  6 Q. Okay. Do you recall having any discussions  7 with him at or around the time these two reports were  8 published?  9 A. I don't recall.  10 MS. BERGER: Tab 25, please.  11 (Exhibit 113 marked.)  12 Q. (BY MS. BERGER) You have just been handed a  13 document marked Government Exhibit 113. This is an  14 email from Guy Powell to Charles Wiestra, on May 12,  15 2014. It attaches two slides. You're not on the email  16 exchange, and so I just want to ask you about the  17 information reflected on the slides.  18 A. Okay.  19 Q. So looking at the email, it reflects that Guy  20 Powell was the corporate greenhouse gas manager --  21 A. Uh-huh.  22 Q. -- in May of 2014. Do you recall having any  23 discussions with Mr. Powell about the attached slides in  24 this time period?  25 A. I don't -- I don't remember. I don't recall.</p>
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<p>1 A. Well, let me read some of the text around it.  2 Q. Sure.  3 A. I don't know whether the answer is in there or  4 not.  5 Q. Sure.  6 A. I don't know. I mean, unless it says it in  7 the text, I don't know -- it doesn't -- the text doesn't  8 say, so I don't know.  9 Q. Okay. Did you ever learn that anybody from  10 MIT complained or made a statement that they thought the  11 information in this graphic was not accurate? Did  12 you --  13 A. I learned that from counsel.  14 Q. Okay. But nothing you learned at or around  15 the time or after the report was published?  16 A. Not that I recall.  17 Q. Just going back a moment to the discussion  18 that we had right before we broke, between the  19 difference between GHG cost and the proxy cost.  20 A. Uh-huh.  21 Q. Do you recall any discussions around the time  22 the report was published or shortly after with any of  23 the investors, with any investors about the difference  24 in these two different cost bases?  25 MR. TOAL: Objection. I think it's been</p>	<p>1 Q. Do you know who Charles Wiestra is?  2 A. Well, it indicates he's in the planning  3 organization.  4 Q. Okay. But you don't have an independent  5 recollection of him?  6 A. No.  7 Q. Do you recall having any conversations with  8 him about these slides in and around this time?  9 A. I don't recall.  10 Q. I want to focus your attention on the slide  11 ending in 922, GHG Emissions Planning Basis. So the  12 first bullet to the right of the graph reads, Propose  13 aligning 2015 Corporate Planning basis with EO for EU  14 ETS at 60/T CO2 in 2030.  15 Do you have an understanding of what that --  16 what that bullet means?  17 A. Well, it says that they were recommending, I  18 guess at the time, that the \$60 a ton in 2030 be adopted  19 in both Energy Outlook and the planning basis.  20 Q. Do you remember a discussion -- did anybody  21 raise that with you in and around March -- sorry --  22 May 2014?  23 A. I don't remember.  24 Q. Would this have been something that would have  25 risen to your level? Would it have been your</p>

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1 expectation that it would have required --

2 A. Well, this type of a chart -- I mean, I know

3 this is not addressed to me, but -- so I don't know

4 whether I saw this exact chart or not, but when it came

5 time to approve the final planning basis and approve the

6 Energy Outlook, that would have risen to my level. So

7 if it was highlighted as one of those reviews.

8 Q. And so directing your attention now to the

9 slide that ends 923.

10 A. Okay.

11 Q. So it has that same slide, the same bullet

12 point we just covered, but there are notes underneath.

13 If you could just take a moment to read just the first

14 bullet with the 1 and 2 under the graph.

15 A. Okay.

16 Q. So the first bullet under the graph reads,

17 Over the past several years, the Corporate Plan and

18 Energy Outlook GHG emissions cost basis have been

19 disconnected (CP \$40/T and E0 \$60/T in 2030).

20 Do you understand that to mean that the proxy

21 cost basis in the Energy Outlook was \$60 a ton in 2030,

22 whereas the Corporate Plan was at \$40 a ton in 2030?

23 A. That's what it says.

24 Q. Is that consistent with your recollection of

25 what the numbers were at this time?

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1 A. Oh, I wouldn't remember the specific numbers.

2 Q. Do you recall, based upon the earlier slide

3 deck that we looked at that that Mr. Eizember presented

4 to you, that the two numbers were different for --

5 A. Yes.

6 Q. -- several years --

7 A. Yeah.

8 Q. -- and that the number in the Energy Outlook

9 was higher than the number in the Corporate Plan?

10 A. Uh-huh. Yes, I recall that.

11 Q. Is that consistent with your recollection of

12 how those numbers were during your -- during your tenure

13 as Chairman?

14 A. Well, I don't -- I couldn't recollect specific

15 numbers for you that many years back.

16 Q. Do you ever recall a time where the GHG

17 planning basis in the corporate guide was higher than

18 the proxy cost in the Energy Outlook?

19 A. I don't recall. I don't know that I would

20 remember.

21 Q. Okay. Do you have any reason to doubt the

22 numbers reflected on this slide are correct?

23 A. Well, again, it's -- it's a chart I am not

24 sure I saw. It's marked draft, so I don't know whether

25 they're correct or not.

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1 Q. Okay.

2 A. I don't know if that's how they ended up -- I

3 don't know whether that's a final determination or not.

4 Q. Okay.

5 A. I'm looking at the draft document.

6 Q. We'll look at the corporate Dataguides in a

7 moment.

8 A. Uh-huh.

9 Q. It then continues, The likely rationale for

10 this was to provide a conservative CP basis for

11 evaluating energy conservation/emissions reduction

12 projects.

13 Do you understand "CP" to be a reference to

14 the Corporate Plan?

15 A. Yes.

16 Q. And had you ever heard this rationale being

17 offered before for the reason for the difference in the

18 GHG planning basis versus the proxy cost of carbon?

19 A. Again, I just -- I don't recall, you know,

20 back in 2014. There have been a lot of other plans --

21 Q. Sure.

22 A. -- since then.

23 Q. But in terms of the rationale, do you recall

24 ever hearing this rationale being discussed or proffered

25 for the reasons that the numbers were different?

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1 A. I just -- I can't recall. It very well may

2 have been, but I don't -- I can't recall any specific

3 discussion about it.

4 Q. Sitting here today, reading this rationale, do

5 you agree with it?

6 MR. TOAL: Object to the form.

7 A. Well, I would have to put myself back in 2014

8 and recreate everything I understood about the issue at

9 that time uncontaminated by anything I might have

10 learned about it in the five years hence. So it's very

11 difficult to go back and put yourself in that situation

12 and say, yes, absolutely or whether on reflection today,

13 given that I have other things -- other knowledge today,

14 whether I agree with it or not. So I don't think

15 it's -- I'm not sure the relevancy of it. Whether I

16 agree with it or not I'm not sure matters.

17 Q. (BY MS. BERGER) And you don't recall any

18 discussion in and around this time about the reasoning

19 for the difference between the GHG planning basis and

20 the Energy Outlook?

21 A. I just -- I don't recall that level of detail.

22 Q. And then the next sentence says, We propose to

23 bring these prices together in 2014 for the following

24 reasons. Do you recall any discussion -- I think you've

25 answered this but just so I'm clear -- any discussion



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<p style="text-align: right;">Page 138</p> <p>1 about bringing the costs together in 2014?</p> <p>2 A. I don't recall any of those discussions. What</p> <p>3 I know is what you've given me in documents. It says it</p> <p>4 was an issue being discussed by somebody at the time,</p> <p>5 but specific conversations I had, I just don't recall</p> <p>6 them.</p> <p>7 Q. Okay. And, you know, part of this is to see</p> <p>8 if any of these --</p> <p>9 A. Yeah.</p> <p>10 Q. -- documents refresh any recollections --</p> <p>11 A. Yeah, I understand.</p> <p>12 Q. -- or discussions.</p> <p>13 A. Yeah, I understand.</p> <p>14 Q. And then it continues for -- so it's proposing</p> <p>15 to align the prices for the following reasons. While</p> <p>16 using a lower cost basis in the Corporate Plan, it</p> <p>17 provides a conservative view for evaluating energy</p> <p>18 conservation emission reduction investments. It</p> <p>19 provides a nonconservative view for evaluating capacity</p> <p>20 growth investments that involve GHG emission creation.</p> <p>21 Do you recall any discussion about this</p> <p>22 rationale being offered to align these costs?</p> <p>23 A. I don't recall anything.</p> <p>24 Q. Do you understand what that is saying, what</p> <p>25 that statement says?</p>	<p style="text-align: right;">Page 140</p> <p>1 Some projects, it actually makes them look more</p> <p>2 attractive; in other projects, it makes them look less</p> <p>3 attractive. So it works -- I think that's the point</p> <p>4 they're making there. It can work both ways, depending</p> <p>5 on the nature of the project.</p> <p>6 Q. Okay. And then the second reason that's being</p> <p>7 offered is, In recent reports released by EM (Energy and</p> <p>8 Climate and Energy and Carbon - Managing the risk) we</p> <p>9 have implied that we use the EO basis for proxy cost of</p> <p>10 carbon when evaluating investments.</p> <p>11 And do you understand EO to be a reference to</p> <p>12 the Energy Outlook?</p> <p>13 A. Yes.</p> <p>14 Q. Did anybody at this time -- so this is May 14</p> <p>15 of 2014, roughly a month and a half after the two</p> <p>16 reports were issued. Did anybody during this time</p> <p>17 discuss with you that they thought the two reports that</p> <p>18 were issued that we just discussed implied that Exxon</p> <p>19 was using the proxy cost of carbon in the Energy Outlook</p> <p>20 when evaluating investments?</p> <p>21 A. I don't recall any discussion along those</p> <p>22 lines.</p> <p>23 Q. Was it your view that the two reports we just</p> <p>24 discussed implied that Exxon was using the proxy cost of</p> <p>25 carbon in the Energy Outlook when evaluating</p>
<p style="text-align: right;">Page 139</p> <p>1 A. Yes, I can -- I can read it and I can</p> <p>2 understand the point they're making.</p> <p>3 Q. Well, it uses, you know, some sort of jargon,</p> <p>4 but what is your understanding of what that rationale</p> <p>5 is?</p> <p>6 A. Well, when you change the cost basis, you will</p> <p>7 incentivize certain -- or when I say "incentivize," let</p> <p>8 me rephrase that. Certain investment activities will</p> <p>9 look more attractive if the cost is raised because the</p> <p>10 incentive is to avoid the cost. In other words, if you</p> <p>11 raise the greenhouse gas cost and you make it high</p> <p>12 enough and you're undertaking a project that is intended</p> <p>13 to avoid the greenhouse gas cost by evading the</p> <p>14 emissions, then the higher that is, the more attractive</p> <p>15 that's going to look.</p> <p>16 On the flipside, if you are looking at an</p> <p>17 investment decision where you're creating greenhouse gas</p> <p>18 emissions, if you make that cost very high, then you</p> <p>19 also impose a cost of either mitigation to reduce those</p> <p>20 if it's required by regulation, or if it's a regulatory</p> <p>21 regime that taxes or fines, you know, emissions, then</p> <p>22 you're going to impose that cost on that investment that</p> <p>23 it will have to bear or you'll have to increase the</p> <p>24 investment to eliminate those.</p> <p>25 So it depends on the nature of the project.</p>	<p style="text-align: right;">Page 141</p> <p>1 investments?</p> <p>2 A. Yes, because they do. That's that common</p> <p>3 price deck I've referred to several times that the proxy</p> <p>4 cost has an impact on. And so the proxy cost is used in</p> <p>5 all investments because all investments are subject to</p> <p>6 the same price deck.</p> <p>7 Q. Okay. Did anybody discuss with you aligning</p> <p>8 these two costs because of statements that were made in</p> <p>9 the two reports?</p> <p>10 A. Not that I recall.</p> <p>11 Q. And I think you answered this, but do you know</p> <p>12 if a decision was made to align these costs in 2014?</p> <p>13 A. I don't recall.</p> <p>14 (Exhibit 114 marked.)</p> <p>15 Q. (BY MS. BERGER) You've just been handed</p> <p>16 Exhibit 114.</p> <p>17 A. Okay.</p> <p>18 Q. Do you recognize this to be the 2014 Corporate</p> <p>19 Dataguide?</p> <p>20 A. That's what it says it is on the top.</p> <p>21 Q. Okay. In looking at the very first page,</p> <p>22 revisions are reflected were made June 13 of 2014. Do</p> <p>23 you see that on the front -- flipping. Yeah, there you</p> <p>24 go. Do you see that at the bottom box?</p> <p>25 A. Right.</p>

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<p>1 Q. Okay. And what does it reflect with respect 2 to page 31 and 32?</p> <p>3 A. It says greenhouse gas emissions.</p> <p>4 Q. And revisions on June 13 of 2014?</p> <p>5 A. That's what it says.</p> <p>6 Q. Okay. Can I direct your attention to those 7 pages of the Dataguide?</p> <p>8 A. Okay.</p> <p>9 Q. And then up at the top of page 31, it reads 10 2014 Corporate Plan aligned with long-term Energy 11 Outlook basis --</p> <p>12 A. Uh-huh.</p> <p>13 Q. -- at \$60 a ton CO2 in 2030 and \$80 a ton CO2 14 in 2040. Note, this is a change from the 2013 Corporate 15 Plan at \$40 a ton CO2 in 2030. Do you see that?</p> <p>16 A. Yes.</p> <p>17 Q. Does that help refresh your recollection about 18 whether the costs were aligned?</p> <p>19 A. It says they were.</p> <p>20 Q. But you have no independent recollection?</p> <p>21 A. I don't -- not that I can recall.</p> <p>22 Q. But this decision to change these cost bases 23 in the Dataguide, that would have required your 24 approval?</p> <p>25 A. It would have been reviewed as part of the</p>	<p>1 any clarification to the two reports that were issued in 2 late March?</p> <p>3 A. Are you speaking about --</p> <p>4 Q. I'm speaking of the energy and climate and 5 energy and carbon, managing the risks.</p> <p>6 A. Well, I don't recall there being any 7 discussion about it. I mean, if there was, I just don't 8 remember.</p> <p>9 Q. Do you recall any discussions after these 10 were -- revisions were made, what impact, if any, they 11 had on any of Exxon's investment decisions?</p> <p>12 A. I don't recall anything specific, no.</p> <p>13 Q. Do you recall any discussions about any impact 14 whatsoever that these revisions had on any of Exxon's 15 specific projects?</p> <p>16 A. Not that I recall.</p> <p>17 Q. At any point after these costs were aligned, 18 did you learn that the application of these new costs 19 would result in, quote, massive GHG costs or larger 20 write-downs for certain of Exxon's projects?</p> <p>21 A. Not that I can recall.</p> <p>22 Q. Would that have been something that you would 23 have expected to rise to your attention if after the 24 revisions the application of the new costs would have 25 resulted in massive GHG costs or write-downs, would you</p>
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<p>1 overall plan guidance package with the Management 2 Committee and myself, yes.</p> <p>3 Q. And would that also have gone to the Board?</p> <p>4 A. I don't know if when the plan -- when the plan 5 is reviewed with the Board, the strategic planning 6 organization at the beginning of that process reviews 7 with the Board here is the plan guidance that the 8 organization was given to develop the plans you're about 9 to see. So it may have been in that review, but I don't 10 know. I don't recall, I mean.</p> <p>11 Q. Okay. And sort of now this is -- reflects 12 that the revisions were made in mid June of 2014. Do 13 you recall any discussions in or around that time about 14 aligning these costs?</p> <p>15 A. Not that I remember. Not that I recall.</p> <p>16 Q. Either with Mr. Powell or anybody in corporate 17 strategic planning?</p> <p>18 A. I just don't remember.</p> <p>19 Q. Any discussions you recall with anybody in the 20 Management Committee about these revisions?</p> <p>21 A. I don't recall.</p> <p>22 Q. After these revisions were made, do you recall 23 any discussions about either making any additional 24 follow-ups to the reports that were issued to clarify 25 any of these issues, or was there any discussion about</p>	<p>1 have expected that to rise to your attention?</p> <p>2 MR. TOAL: Objection, calls for 3 speculation.</p> <p>4 A. Well, let me respond this way. We had a 5 process, a very defined process by which assets that 6 might be under threat or stress would be brought to my 7 attention. We had what was called a watchlist that was 8 maintained in a very active fashion, and so that 9 watchlist would be reviewed with me from time to time. 10 But annually it was reviewed in a fair amount of detail.</p> <p>11 Something might -- the business line might 12 bring up an issue to me at a quarterly review if 13 something dramatic had happened and was going to move on 14 to watchlist. So they didn't wait until the end of the 15 year, in other words, to tell me. But that's the 16 process by which that would happen. Now as to 17 specific -- anything specific, I just don't recall.</p> <p>18 Q. (BY MS. BERGER) Did you ever learn after the 19 alignment of these costs that because the application of 20 these new higher costs would result in significant costs 21 or write-downs, that a decision was made to use lower 22 costs?</p> <p>23 MR. TOAL: Objection, vague.</p> <p>24 A. Yeah, you're going to -- can you be more 25 specific?</p>

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1 been on that watchlist for a while. And if we were not  
 2 making progress on turning the situation around, I  
 3 needed to know that. And just questioning them, what is  
 4 your plan? You know, what -- why do we not have to  
 5 impair this now this year? And they -- you know, they  
 6 would say, well, here is what we're doing and we believe  
 7 by this time next year this is going to be off the  
 8 watchlist because. We would say okay.  
 9 So I needed to understand why we didn't need  
 10 to impair it now, what were they doing to ensure we  
 11 didn't need to impair it, and to know if there's  
 12 something new coming on that list, why, what happened.  
 13 Q. I just want to turn briefly to your use of  
 14 email during the time you were Chairman and CEO. How  
 15 frequently did you use email?  
 16 A. Well, probably not as often as people might  
 17 think, because I had an executive assistant that really  
 18 managed a lot of my email traffic for me, just because I  
 19 didn't sit at my computer much.  
 20 Q. How many email accounts did you have?  
 21 A. I believe I had two at the time I left  
 22 Exxon --  
 23 Q. Okay.  
 24 A. -- Exxon Mobil. I had two Exxon Mobil  
 25 accounts. I had a personal account obviously that I

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1 didn't use for company.  
 2 Q. And do you recall, was there one called Wayne  
 3 Tracker?  
 4 A. Yes.  
 5 Q. What was -- why did you have two accounts?  
 6 A. Well, the other account was  
 7 Rex.W.Tillerson@ExxonMobil.com, and that was available  
 8 to the world. When I became Chairman and CEO, I would  
 9 get a lot of email traffic that I didn't need to  
 10 necessarily see, some days in the thousands. And so my  
 11 assistant would be trying to, you know, clean that up,  
 12 but it made it difficult for me then to spot the emails  
 13 I really needed to see.  
 14 So our technical team, our systems people,  
 15 working with my security people said, well, look, let's  
 16 set up another account that's a nondescript name, and it  
 17 will be available to people inside the company or  
 18 anybody else that I wanted to have it for business  
 19 purposes, and that was Wayne.Tracker@ExxonMobil.com.  
 20 And that allowed people that needed to  
 21 correspond to me -- allowed me to look at that quickly  
 22 and not have to scroll through 25, 30 screens to find an  
 23 email somebody had sent me an hour ago. That was the  
 24 nature of what would happen to my email inbox, and so we  
 25 left the Rex.W out there to be the catch of all this

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1 stuff. And then my assistant would go through there,  
 2 and if there was something in there that came in through  
 3 that address, she would forward it over to my  
 4 Wayne.Tracker account so I would see it. So I almost  
 5 never looked at the Rex.W anymore. I operated off  
 6 Wayne.Tracker@ExxonMobil.com.  
 7 Q. So you're using the Wayne.Tracker primarily?  
 8 That was the primary email account?  
 9 A. It became my primary for company business,  
 10 yeah.  
 11 Q. Okay. When your assistant forwarded emails  
 12 from your Rex.Tillerson account to the Wayne.Tracker, do  
 13 you know if those were preserved in the original  
 14 account, or were they deleted, or do you know?  
 15 A. It would depend on the nature of the message.  
 16 I mean, I would delete messages if I didn't -- you know,  
 17 it was something somebody needed to tell me. Read it,  
 18 gone.  
 19 Q. Sure.  
 20 A. Just like you keep your email cleaned up,  
 21 hopefully. We all try.  
 22 Q. We all try.  
 23 And so it's fair to say that the  
 24 Wayne.Tracker, that became the primary email address  
 25 that you were using to communicate to Exxon employees?

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1 A. Well, to people that typically corresponded  
 2 with me for business reasons.  
 3 Q. Okay.  
 4 A. It's not what I used to communicate to the  
 5 79,000 employees.  
 6 Q. Understood.  
 7 A. I mean, a lot of those folks, if they wanted  
 8 to send something to me for whatever reason, they were  
 9 going to send it to the Rex.W.  
 10 Q. So it became your primary email account,  
 11 whether internally or externally for business purposes?  
 12 A. Yeah. It's my -- I'll call it my operational  
 13 account. It's the one that I used -- if I wanted to  
 14 communicate with somebody, which I rarely did -- I just  
 15 didn't use email -- that's the one I would have used so  
 16 that it stayed inside that channel and didn't get out  
 17 there and get lost in the big one.  
 18 Q. Okay. Do you have an understanding as to  
 19 whether those -- the emails in your Wayne.Tracker  
 20 account were preserved during the course of the  
 21 investigation that led to this lawsuit?  
 22 A. Anything -- any litigation hold that the  
 23 attorneys notified us of, that immediately put a freeze  
 24 on everything, so that everything that would be  
 25 preserved.