

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

( X ) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1997

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-2256

EXXON CORPORATION

\_\_\_\_\_  
(Exact name of registrant as specified in its charter)

NEW JERSEY

13-5409005

\_\_\_\_\_  
(State or other jurisdiction of  
incorporation or organization)

\_\_\_\_\_  
(I.R.S. Employer  
Identification Number)

5959 Las Colinas Boulevard, Irving, Texas 75039-2298

\_\_\_\_\_  
(Address of principal executive offices) (Zip Code)

(972) 444-1000

\_\_\_\_\_  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of June 30, 1997
Common stock, without par value	2,474,366,358

EXXON CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1997

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

EXXON CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF INCOME  
(millions of dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
REVENUE				
Sales and other operating revenue, including excise taxes	\$32,314	\$31,625	\$65,419	\$62,099
Earnings from equity interests and other revenue	533	586	1,018	1,317
Total revenue	<u>32,847</u>	<u>32,211</u>	<u>66,437</u>	<u>63,416</u>
COSTS AND OTHER DEDUCTIONS				
Crude oil and product purchases	13,708	13,325	28,217	25,922
Operating expenses	3,202	3,270	6,443	6,558
Selling, general and administrative expenses	2,012	2,020	3,891	3,956
Depreciation and depletion	1,342	1,306	2,707	2,678
Exploration expenses, including dry holes	141	149	306	289
Interest expense	104	136	176	212
Excise taxes	3,631	3,650	7,180	6,960
Other taxes and duties	5,449	5,623	10,642	11,129
Income applicable to minority and preferred interests	98	80	197	219
Total costs and other deductions	<u>29,687</u>	<u>29,559</u>	<u>59,759</u>	<u>57,923</u>
INCOME BEFORE INCOME TAXES	3,160	2,652	6,678	5,493
Income taxes	1,195	1,082	2,538	2,038
NET INCOME	<u>\$ 1,965</u> =====	<u>\$ 1,570</u> =====	<u>\$ 4,140</u> =====	<u>\$ 3,455</u> =====
Net income per common share*	\$ 0.79	\$ 0.63	\$ 1.66	\$ 1.39
Dividends per common share*	\$ 0.410	\$ 0.395	\$ 0.805	\$ 0.770
Average number common shares outstanding (millions)*	2,478.5	2,484.1	2,480.9	2,484.0

Net income per share computed as income less dividends on preferred stock divided by the weighted average number of common shares outstanding.

\* Prior year amounts restated to reflect two-for-one stock split effective March 14, 1997.

EXXON CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEET  
(millions of dollars)

	June 30, 1997	Dec. 31, 1996
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 4,720	\$ 2,951
Other marketable securities	22	18
Notes and accounts receivable - net	9,814	10,499
Inventories		
Crude oil, products and merchandise	4,384	4,501
Materials and supplies	752	784
Prepaid taxes and expenses	1,102	1,157
Total current assets	<u>20,794</u>	<u>19,910</u>
Property, plant and equipment - net	65,520	66,607
Investments and other assets	8,606	9,010
TOTAL ASSETS	<u>\$94,920</u> =====	<u>\$95,527</u> =====
<b>LIABILITIES</b>		
Current liabilities		
Notes and loans payable	\$ 2,643	\$ 2,510
Accounts payable and accrued liabilities	13,691	14,510
Income taxes payable	2,398	2,485
Total current liabilities	<u>18,732</u>	<u>19,505</u>
Long-term debt	7,041	7,236
Annuity reserves, deferred credits and other liabilities	25,332	25,244
TOTAL LIABILITIES	<u>51,105</u> =====	<u>51,985</u> =====
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, without par value:		
Authorized: 200 million shares		
Outstanding: 4 million shares at June 30, 1997	221	
5 million shares at Dec. 31, 1996		303
Guaranteed LESOP obligation	(225)	(345)
Common stock, without par value:		
Authorized: 3,000 million shares		
Issued: 2,984 million shares at June 30, 1997	2,322	
See Note 3 for shares at Dec. 31, 1996		2,822
Earnings reinvested	49,923	57,156
Cumulative foreign exchange translation adjustment	57	1,126
Common stock held in treasury:		
510 million shares at June 30, 1997	(8,483)	
1,142 million shares at Dec. 31, 1996		(17,520)
TOTAL SHAREHOLDERS' EQUITY	<u>43,815</u>	<u>43,542</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$94,920</u> =====	<u>\$95,527</u> =====

The number of shares of common stock issued and outstanding at June 30, 1997 and December 31, 1996 (restated to reflect two-for-one stock split effective March 14, 1997) were 2,474,366,358 and 2,483,492,968, respectively.

EXXON CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(millions of dollars)

	Six Months Ended	
	June 30,	
	1997	1996
<hr/>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$4,140	\$3,455
Depreciation and depletion	2,707	2,678
Changes in operational working capital, excluding cash and debt	(244)	163
All other items - net	1,324	764
	<hr/>	
Net Cash Provided By Operating Activities	7,927	7,060
	<hr/>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions and additions to property, plant and equipment	(3,331)	(3,259)
Sales of subsidiaries and property, plant and equipment	165	170
Other investing activities - net	104	35
	<hr/>	
Net Cash Used In Investing Activities	(3,062)	(3,054)
	<hr/>	
NET CASH GENERATION BEFORE FINANCING ACTIVITIES	4,865	4,006
	<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to long-term debt	330	364
Reductions in long-term debt	(220)	(261)
Additions/(reductions) in short-term debt - net	(81)	(14)
Cash dividends to Exxon shareholders	(2,007)	(1,928)
Cash dividends to minority interests	(155)	(169)
Additions/(reductions) to minority interests and sales/(redemptions) of affiliate preferred stock	(73)	(29)
Acquisitions of Exxon shares - net	(914)	(243)
	<hr/>	
Net Cash Used In Financing Activities	(3,120)	(2,280)
	<hr/>	
Effects Of Exchange Rate Changes On Cash	24	(12)
	<hr/>	
Increase/(Decrease) In Cash And Cash Equivalents	1,769	1,714
Cash And Cash Equivalents At Beginning Of Period	2,951	1,508
	<hr/>	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$4,720	\$3,222
	=====	=====
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	\$2,052	\$1,213
Cash interest paid	\$ 316	\$ 371

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. Basis Of Financial Statement Preparation

These unaudited condensed consolidated financial statements should be read in the context of the consolidated financial statements and notes thereto filed with the S.E.C. in the corporation's 1996 Annual Report on Form 10-K. In the opinion of the corporation, the information furnished herein reflects all known accruals and adjustments necessary for a fair statement of the results for the periods reported herein. All such adjustments are of a normal recurring nature. The corporation's exploration and production activities are accounted for under the "successful efforts" method.

## 2. Recently Issued Statements of Financial Accounting Standards

In February 1997, the Financial Accounting Standards Board released Statement No. 128, "Earnings per Share" which must be adopted for both interim and annual periods ending after December 15, 1997, with earlier application not permitted. Based on preliminary estimates, basic earnings per share defined by the statement is consistent with current reporting of net income per common share. The difference between basic and diluted earnings per share is expected to be insignificant.

In June 1997, the Financial Accounting Standards Board released Statement No. 130, "Reporting Comprehensive Income" and Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information." Both statements become effective for fiscal years beginning after December 15, 1997 with early adoption permitted. These statements require disclosure of certain components of changes in equity and certain information about operating segments and geographic areas of operation. No decision has been made as to when the company will adopt the statements. These statements will not have any effect on the results of operations or financial position.

## 3. Capital

On February 26, 1997, the company's Board of Directors approved a two-for-one stock split to Common Stock shareholders of record on March 14, 1997 and canceled 321,000,000 shares (pre-split basis) of Common Stock without par value held by the corporation as treasury shares. These canceled shares were returned to the status of authorized but unissued shares. The treasury stock account was credited for \$9,869 million, the Common Stock account charged for \$500 million and the retained earnings account charged for \$9,369 million to cancel these treasury shares.

On March 14, 1997, the authorized Common Stock was increased from two billion shares without par value to three billion shares without par value and the issued shares were split on a two-for-one basis.

Since canceled treasury shares were returned to the status of authorized but unissued shares and used to partially accomplish the two-for-one stock split, the restated number of Common Stock shares issued (on a post-split basis) at December 31, 1996 is not meaningful.

EXXON CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The number of shares of Common Stock issued and outstanding as of December 31, 1996 and 1995, restated to reflect the two-for-one stock split, were 2,483,492,968 and 2,483,543,658, respectively. Earnings per share for the years ended December 31, 1996, 1995 and 1994, restated for the effect of the two-for-one stock split, are \$3.01, \$2.59, and \$2.04, respectively.

4. Litigation and Other Contingencies

A number of lawsuits, including class actions, were brought in various courts against Exxon Corporation and certain of its subsidiaries relating to the accidental release of crude oil from the tanker Exxon Valdez in 1989. Essentially all of these lawsuits have now been resolved or are subject to appeal.

On September 24, 1996, the United States District Court for the District of Alaska entered a judgment in the amount of \$5.058 billion in the Exxon Valdez civil trial that began in May 1994. The District Court awarded approximately \$19.6 million in compensatory damages to fisher plaintiffs, \$38 million in prejudgment interest on the compensatory damages and \$5 billion in punitive damages to a class composed of all persons and entities who asserted claims for punitive damages from the corporation as a result of the Exxon Valdez grounding. The District Court also ordered that these awards shall bear interest from and after entry of the judgment. The District Court stayed execution on the judgment pending appeal based on a \$6.75 billion letter of credit posted by the corporation. Exxon has appealed the judgment. The corporation continues to believe that the punitive damages in this case are unwarranted and that the judgment should be set aside or substantially reduced by the appellate courts.

The ultimate cost to the corporation from the lawsuits arising from the Exxon Valdez grounding is not possible to predict and may not be resolved for a number of years.

German and Dutch affiliated companies are the concessionaires of a natural gas field subject to a treaty between the governments of Germany and the Netherlands under which the gas reserves in an undefined border or common area are to be shared equally. Entitlement to the reserves is determined by calculating the amount of gas which can be recovered from this area. Based on the final reserve determination, the German affiliate has received more gas than its entitlement. Arbitration proceedings, as provided in the agreements, have been underway to determine the manner of resolving the issues between the German and Dutch affiliated companies.

On July 8, 1996, an interim ruling was issued establishing a provisional compensation payment for the excess gas received. Additional compensation, if any, remains subject to further arbitration proceedings or negotiation. Other substantive matters remain outstanding, including recovery of royalties paid on such excess gas and the taxes payable on the final compensation amount. The net financial impact on the corporation is not possible to predict at this time given these outstanding issues. However, the ultimate outcome is not expected to have a materially adverse effect upon the corporation's consolidated financial condition or operations.

EXXON CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The U.S. Tax Court has decided the issue with respect to the pricing of crude oil purchased from Saudi Arabia for the years 1979-1981 in favor of the corporation. This decision is subject to appeal. Certain other issues for the years 1979-1982 remain pending before the Tax Court. The ultimate resolution of these issues is not expected to have a materially adverse effect upon the corporation's operations or financial condition.

Claims for substantial amounts have been made against Exxon and certain of its consolidated subsidiaries in other pending lawsuits, the outcome of which is not expected to have a materially adverse effect upon the corporation's financial condition or operations.

The corporation and certain of its consolidated subsidiaries are directly and indirectly contingently liable for amounts similar to those at the prior year-end relating to guarantees for notes, loans and performance under contracts, including guarantees of non-U.S. excise taxes and customs duties of other companies, entered into as a normal business practice, under reciprocal arrangements.

Additionally, the corporation and its affiliates have numerous long-term sales and purchase commitments in their various business activities, all of which are expected to be fulfilled with no adverse consequences material to the corporation's operations or financial condition.

The operations and earnings of the corporation and its affiliates throughout the world have been, and may in the future be, affected from time to time in varying degree by political developments and laws and regulations, such as forced divestiture of assets; restrictions on production, imports and exports; price controls; tax increases and retroactive tax claims; expropriation of property; cancellation of contract rights and environmental regulations. Both the likelihood of such occurrences and their overall effect upon the corporation vary greatly from country to country and are not predictable.



EXXON CORPORATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FUNCTIONAL EARNINGS SUMMARY

	Second Quarter		First Six Months	
	1997	1996	1997	1996
	(millions of dollars)			
Petroleum and natural gas				
Exploration and production				
United States	\$ 335	\$ 423	\$ 889	\$ 842
Non-U.S.	620	615	1,510	1,619
Refining and marketing				
United States	162	98	219	82
Non-U.S.	382	134	679	324
Total petroleum and natural gas	1,499	1,270	3,297	2,867
Chemicals				
United States	246	166	438	319
Non-U.S.	147	138	265	272
Other operations	127	100	255	217
Corporate and financing	(54)	(104)	(115)	(220)
NET INCOME	\$1,965	\$1,570	\$4,140	\$3,455
	=====	=====	=====	=====

SECOND QUARTER 1997 COMPARED WITH SECOND QUARTER 1996

Exxon Corporation estimated second quarter 1997 net income of \$1,965 million, an increase of \$395 million or 25 percent from \$1,570 million in second quarter 1996. On a per share basis, net income rose to \$0.79 in the second quarter of 1997 compared to \$0.63 in the prior year's quarter.

Exxon's net income of \$1.97 billion was up \$395 million or 25 percent over last year's second quarter and represented the highest second quarter earnings in Exxon's history. Earnings benefited from generally stronger downstream margins and higher petroleum product sales. Chemicals volumes and margins also improved over the prior year's quarter. Crude oil prices were volatile during the quarter and on average were lower than the prior year. Liquids production and natural gas sales were similar to second quarter 1996 levels. Petroleum product sales for the second quarter were at the highest level achieved in over 20 years, with increases in all major geographic areas. Downstream margins improved overall with U.S. and European industry refining margins recovering modestly from last year's depressed levels. Chemicals earnings were up 29 percent over last year. Sales volumes continued strong, establishing a quarterly record. Commodity chemical product prices and margins were also higher. Earnings from other operations increased from second quarter 1996 on higher copper realizations and record coal production.

EXXON CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

OTHER COMMENTS ON SECOND QUARTER COMPARISON

Exploration and production earnings were negatively impacted by lower crude prices which averaged about \$1.50 per barrel less than the prior year. European gas prices improved, while U.S. gas prices were lower on average than last year, although strengthening over the course of the quarter.

Liquids production was 1,588 kbd (thousand barrels per day) compared to 1,595 kbd in the second quarter of 1996. Production increased from developments in Canadian heavy oil operations, the North Sea and Australia. These gains were offset by planned maintenance, a revised production sharing agreement in Malaysia, and field decline. Gas production was 5,640 mcf (million cubic feet per day) compared to 5,674 mcf in the prior year.

Earnings from U.S. exploration and production were \$335 million, compared with \$423 million in the second quarter last year. Outside the U.S., earnings from exploration and production were \$620 million, as compared to \$615 million in the second quarter 1996.

Petroleum product sales of 5,348 kbd rose 6 percent from last year's second quarter. Sales volumes increased in all major geographic areas. Refinery throughput increased 121 kbd to 3,875 kbd reflecting lower scheduled maintenance. Downstream industry margins improved somewhat from the depressed levels of second quarter 1996. Refining margins strengthened in the U.S. gulf coast and Europe but were weaker in Asia-Pacific. The industry environment improved in the U.K., although marketing margins remained weak.

In the U.S., second quarter refining and marketing earnings were \$162 million, up \$64 million from the prior year. Earnings from refining and marketing operations outside the U.S. were \$382 million, an increase of \$248 million from last year.

Chemical earnings were \$393 million, up \$89 million from second quarter 1996. Record prime product sales of 4,277 kt (thousand metric tons) were up 8 percent from the prior year. Margins improved on the strengthening of commodity chemicals prices and lower feedstock costs.

Earnings from other operations, including coal, minerals and power, totaled \$127 million, an increase from \$100 million in the second quarter 1996. Copper realizations were higher, and coal production from continuing operations was at a record level. Corporate and financing expenses of \$54 million compared with \$104 million in the second quarter of last year, reflecting lower tax-related charges.

Revenue for the second quarter of 1997 totaled \$32,847 million, an increase from \$32,211 million in the second quarter 1996. Capital and exploration expenditures were \$2,215 million in the second quarter of 1997 compared with \$2,301 million in last year's second quarter.

During the second quarter of 1997, Exxon purchased 14.9 million shares of its common stock for the treasury at a cost of \$863 million, reducing shares outstanding from 2,483.0 million at the end of first quarter 1997 to 2,474.4 million at the end of the second quarter. Purchases are made in open market and negotiated transactions and may be discontinued at any time.

EXXON CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

FIRST SIX MONTHS 1997 COMPARED WITH FIRST SIX MONTHS 1996

Net income was \$4,140 million in the first half 1997, an increase of 20 percent from the \$3,455 million earned in 1996. Net income for first half 1996 included \$125 million in non-recurring credits. Excluding these credits, the increase was \$810 million or 24 percent. On a per share basis, net income was \$1.66 in the first half of 1997 compared to \$1.39 last year.

Exploration and production earnings benefited from higher crude oil and natural gas prices. Liquids production was 1,608 kbd compared to 1,639 kbd last year. Increased production from Canada and new developments was offset by a revised production sharing agreement in Malaysia, field decline and the sale of several producing properties. Natural gas production of 6,587 mcf/d was down 415 mcf/d from the first half of 1996 reflecting warmer weather in Europe.

Earnings from U.S. exploration and production operations for the first six months were \$889 million, an increase of \$47 million from 1996. Outside the U.S., earnings from exploration and production operations were \$1,510 million, up \$16 million, after excluding non-recurring credits of \$125 million in the first quarter of 1996.

Petroleum product sales of 5,318 kbd increased 210 kbd over last year, with volume growth in all major geographic areas. Earnings from U.S. refining and marketing operations were \$219 million, up from \$82 million in 1996, as industry refining margins improved from last year's low levels. Outside the U.S., first half 1997 refining and marketing earnings increased \$355 million to \$679 million, reflecting higher refining margins in Europe and an improved but still weak industry environment in the U.K.

Chemical earnings totaled \$703 million in the first half of 1997, up \$112 million from last year. Prime product sales grew 6 percent over 1996 to 8,361 kt. Industry commodity prices and margins improved from last year's levels.

Earnings from other operations totaled \$255 million, an increase of \$38 million from the first half of 1996, reflecting increased coal production and higher copper realizations. Corporate and financing expenses declined \$105 million to \$115 million, reflecting lower tax-related charges.

EXXON CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

FIRST SIX MONTHS 1997 COMPARED WITH FIRST SIX MONTHS 1996

Net cash generation before financing activities was \$4,865 million in the first half of 1997 versus \$4,006 million in the same period last year. Operating activities provided net cash of \$7,927 million, an increase of \$867 million from 1996's first half, influenced by higher net income and an insurance related settlement. Investing activities used net cash of \$3,062 million, about the same level as the prior year period.

Net cash used in financing activities was \$3,120 million in the first half of 1997 versus \$2,280 million for the year-ago period. The increase of \$840 million reflects the purchase of additional shares of Exxon common stock. During the first half of 1997, a total of 20.2 million shares of Exxon common stock were acquired for the treasury at a cost of \$1,142 million. Purchases are made in both the open market and through negotiated transactions. Purchases may be discontinued at any time.

Capital and exploration expenditures in this year's first half were \$4,005 million versus \$4,292 million a year ago. Total capital and exploration activity in 1997 should be at similar levels to 1996, as attractive investment opportunities continue to be developed in each of the major business segments.

Total debt of \$9.7 billion at June 30, 1997 was essentially unchanged from year-end 1996. The corporation's debt to capital ratio was 17.5 percent at the end of the first six months of 1997, down from 17.7 percent at year-end 1996.

Over the twelve months ended June 30, 1997, return on average shareholders' equity was 19.2 percent. Return on average capital employed, which includes debt, was 15.8 percent over the same time period.

Although the corporation issues long-term debt from time to time and maintains a revolving commercial paper program, internally generated funds cover the majority of its financial requirements.

Litigation and other contingencies are discussed in note 4 to the unaudited condensed consolidated financial statements. There are no events or uncertainties known to management beyond those already included in reported financial information that would indicate a material change in future operating results or future financial condition.

The corporation, as part of its ongoing asset management program, continues to evaluate its mix of assets for potential upgrade. Because of the ongoing nature of this program, dispositions will continue to be made from time to time which will result in either gains or losses.

EXXON CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

SPECIAL ITEMS

	Second Quarter		First Six Months	
	1997	1996	1997	1996
	(millions of dollars)			
<hr/>				
EXPLORATION & PRODUCTION				
<hr/>				
Non-U. S. Tax related	-	-	-	\$125
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	-	-	-	\$125
	=====	=====	=====	=====

PART II. OTHER INFORMATION

EXXON CORPORATION

FOR THE QUARTER ENDED JUNE 30, 1997

Item 2. Changes in Securities

In accordance with the registrant's 1997 Nonemployee Director Restricted Stock Plan, a newly elected nonemployee director was granted 4,000 shares of restricted Common Stock on June 24, 1997. This grant is exempt from registration under bonus stock interpretations such as the "no-action" letter to Pacific Telesis Group (June 30, 1992).

Item 4. Submission of Matters to a Vote of Security Holders

At the annual meeting of shareholders on April 30, 1997, the following proposals were voted upon:

Concerning Election of Directors

Nominees for Director	Votes Cast for	Votes Withheld
Michael J. Boskin	1,052,332,293	7,972,120
D. Wayne Calloway	1,052,140,178	8,164,235
Jess Hay	1,051,938,768	8,365,645
James R. Houghton	1,052,179,148	8,125,265
William R. Howell	1,051,918,940	8,385,473
Philip E. Lippincott	1,052,093,961	8,210,452
Harry J. Longwell	1,052,458,749	7,845,664
Marilyn Carlson Nelson	1,052,519,403	7,785,010
Lee R. Raymond	1,051,951,660	8,352,753
Robert E. Wilhelm	1,052,619,241	7,685,172

Concerning Amendment of 1993 Incentive Program

Votes Cast For:	1,010,576,435
Votes Cast Against:	33,448,471
Abstentions:	14,810,927
Broker Non-Votes:	1,468,580

Concerning Performance-Based Incentive Awards

Votes Cast For:	1,013,386,268
Votes Cast Against:	31,048,747
Abstentions:	14,400,818
Broker Non-Votes:	1,468,580

PART II. OTHER INFORMATION

EXXON CORPORATION

FOR THE QUARTER ENDED JUNE 30, 1997

Concerning Ratification of the Appointment of Independent Public Accountants

Votes Cast For:	1,050,572,448
Votes Cast Against:	3,548,056
Abstentions:	4,718,334
Broker Non-Votes:	1,465,575

Concerning Additional Reporting of Political Contributions

Votes Cast For:	63,434,778
Votes Cast Against:	827,530,808
Abstentions:	25,038,625
Broker Non-Votes:	144,300,202

Concerning Additional Executive Compensation Reporting

Votes Cast For:	83,938,122
Votes Cast Against:	793,750,959
Abstentions:	38,315,130
Broker Non-Votes:	144,300,202

See also pages 4 through 8 and pages 17 through 22 of the registrant's definitive proxy statement dated March 19, 1997. These voting results are presented on a pre-split basis for votes from shareholders of record at the close of business on March 3, 1997.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

Exhibit 10(iii)(a) - Registrant's 1993 Incentive Program, as amended May 28, 1997.

Exhibit 10(iii)(e) - Registrant's Short Term Incentive Program, as amended May 28, 1997.

Exhibit 27 - Financial Data Schedule (included only in the electronic filing of this document).

b) Reports on Form 8-K

The registrant has not filed any reports on Form 8-K during the quarter.

EXXON CORPORATION

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 1997

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EXXON CORPORATION

Date: August 12, 1997

/s/ Donald D. Humphreys

\_\_\_\_\_  
Donald D. Humphreys, Vice President, Controller  
and Principal Accounting Officer



EXXON CORPORATION

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 1997

INDEX TO EXHIBITS

10(iii)(a). Registrant's 1993 Incentive Program, as amended May 28, 1997.

10(iii)(e). Registrant's Short Term Incentive Program, as amended  
May 28, 1997.



THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM EXXON'S CONDENSED CONSOLIDATED BALANCE SHEET AT JUNE 30, 1997 AND EXXON'S CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SECOND QUARTER 1997, THAT ARE CONTAINED IN EXXON'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1997. THE SCHEDULE IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

6-MOS	
DEC-31-1997	JUN-30-1997
	4,720
	22
	7,134
	92
	5,136
20,794	125,695
	60,175
	94,920
18,732	7,041
0	221
	2,322
	41,272
94,920	65,419
66,437	28,217
	28,217
	9,456
	0
	176
	6,678
	2,538
4,140	0
	0
	0
	4,140
	1.660
	0

Prior period primary earnings per share amounts have been restated for the two-for-one stock split effective March 14, 1997.

EXXON CORPORATION

1993 INCENTIVE PROGRAM

Adopted by shareholders April 28, 1993  
(as last amended May 28, 1997)

General Provisions

I. Purpose.

The 1993 Incentive Program is intended to help maintain and develop strong management through ownership of shares of the Corporation by key employees of the Corporation and certain of its affiliates and through incentive awards for recognition of efforts and accomplishments which contribute materially to the success of the Corporation's business interests.

II. Definitions.

In this Program, except where the context otherwise indicates, the following definitions apply:

(1) 'Administrative authority' means one of the following, as appropriate in accordance with Section III: the Board; any committee to which the Board delegates authority to administer this Program; or, in individual cases, the Chairman of the Board or persons acting under his direction.

(2) 'Affiliate' means (a) any subsidiary and (b) any other corporation, partnership, joint venture, or other entity in which the corporation, directly or indirectly, owns an equity interest and which the administrative authority deems to be an affiliate for purposes of this Program (including, without limitation, for purposes of determining whether a change of employment constitutes a termination).

(3) 'Award' means a stock option, stock appreciation right ('SAR'), restricted stock, performance award, incentive share, dividend equivalent right ('DER'), or other award under this Program.

(4) 'Board' means the Board of Directors of the Corporation.

(5) 'Board Compensation Committee,' hereinafter sometimes called the 'BCC,' means the committee of the Board so designated in accordance with Section IV.

(6) 'By the grant' means by the action of the granting authority at the time of the grant of an award hereunder, or at the time of an amendment of the grant, as the case may be.

(7) 'Code' means the Internal Revenue Code, as in effect from time to time.

(8) 'Corporation' means Exxon Corporation, a New Jersey corporation.

(9) 'Designated beneficiary' means the person designated by the grantee of an award hereunder to be entitled, on the death of the grantee, to any remaining rights arising out of such award. Such designation must be made in writing and in accordance with such regulations as the administrative authority may establish.

(10) 'Detrimental activity' means activity that is determined in individual cases by the administrative authority to be detrimental to the interests of the Corporation or any affiliate.

(11) 'Dividend equivalent right,' herein sometimes called a 'DER,' means the right of the holder thereof to receive, pursuant to the terms of the DER, credits based on the cash dividends that would be paid on the shares specified in the DER if such shares were held by the grantee, as more particularly set forth in Section XIV(1).

(12) 'Effectively granted' means, for purposes of determining the number of shares subject to an outstanding award under this Program, the number of shares subject to such award or the number of shares with respect to which the value of such award is measured, as applicable. An option that includes an SAR shall be considered a single award for this purpose.

(13) 'Effectively issued' means the gross number of shares purchased, issued, delivered, or paid free of restrictions upon the exercise, settlement, or payment of an award, or lapse of restrictions thereon, as the case may be.

(14) 'Eligible employee' means an employee of the Corporation or a subsidiary who is a director or officer, or in a managerial, professional, or other key position as determined by the granting authority.

(15) 'Employee' means an employee of the Corporation or an affiliate.

(16) 'Exchange Act' means the Securities Exchange Act of 1934, as amended from time to time.

(17) 'Fair market value' in relation to a share as of any specific time shall mean such value as reported for stock exchange transactions determined in accordance with any applicable regulations of the administrative authority in effect at the relevant time.

(18) 'Grantee' means a recipient of an award under this Program.

(19) 'Granting authority' means the Board or any appropriate committee authorized to grant and amend awards under this Program in accordance with Section V and to exercise other powers of the granting authority hereunder.

(20) 'Incentive shares' means an award of shares granted pursuant to Section XIII.

(21) 'Incentive Stock Option,' herein sometimes called an 'ISO,' means a stock option meeting the requirements of Section 422 of the Code or any successor provision.

(22) 'Performance award' means an award of shares, or of units or rights based on, payable in, or otherwise related to shares, granted pursuant to Section XII.

(23) 'Performance period' means any period specified by the grant of a performance award during which specified performance criteria are to be measured.

(24) 'Reporting person' means a person subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to equity securities of the Corporation.

(25) 'Restricted stock' means any share issued with the restriction that the holder may not sell, transfer, pledge, or assign such share and such other restrictions (which may include, but are not limited to, restrictions on the right to vote or receive dividends) which may expire separately or in combination, at one time or in installments, all as specified by the grant.

(26) 'Rule 16b-3' means Rule 16b-3 (or any successor thereto) under the Exchange Act that exempts transactions under employee benefit plans, as in effect from time to time.

(27) 'Share' means a share of Common Stock of the Corporation issued and reacquired by the Corporation or previously authorized but unissued.

(28) 'Shareholder-approved plan' means any of the plans constituting parts of any of the Incentive Programs previously approved by shareholders of the Corporation.

(29) 'Stock appreciation right,' herein sometimes called an 'SAR,' means the right of the holder thereof to receive, pursuant to the terms of the SAR, a number of shares or cash or a combination of shares and cash, based on the increase in the value of the number of shares specified in the SAR, as more particularly set forth in Section X.

(30) 'Subsidiary' means a corporation, partnership, joint venture, or other entity in which the Corporation, directly or indirectly, owns a 50% or greater equity interest.

(31) 'Terminate' means cease to be an employee, except by death, but a change of employment from the Corporation or one affiliate to another affiliate or to the Corporation shall not be considered a termination. For purposes of this Program, the administrative authority may determine that the time or date of termination is the day an employee resigns, accepts employment with another employer or otherwise indicates an intent to resign, which time or date need not necessarily be the last day on the payroll.

(32) 'Terminate normally' for purposes of this Program means terminate

(a) at normal retirement time for that employee, or

(b) with written approval of the administrative authority given in the context of recognition that all or a specified portion of the outstanding awards to that employee will not expire or be forfeited or annulled because of such termination

and, in each such case, without being terminated for cause.

(33) 'Year' means calendar year.

### III. Administration.

(1) The Board is the ultimate administrative authority for this Program, with the power to conclusively interpret its provisions and decide all questions of fact arising in its application. The Board may delegate its authority pursuant to any provision of this Program to a committee which, except in the case of the BCC, need not be a committee of the Board. Subject to the authority of the Board or an authorized committee and excluding cases involving the Chairman as grantee, the Chairman of the Board and persons acting under his direction may serve as the administrative authority under this Program for purposes of making determinations and interpretations in individual cases.

(2) The Board and any committee acting as the administrative authority under this Program can act by regulation, by making individual determinations, or by both. The Chairman of the Board and persons designated by him can act as the administrative authority under this Program only by making individual determinations.

(3) All determinations and interpretations pursuant to the provisions of this Program shall be binding and conclusive upon the individuals involved and all persons claiming under them.

(4) With respect to reporting persons, transactions under this Program are intended to comply with all applicable conditions of Rule 16b-3. To the extent any provision of this Program or any action by an authority under this Program fails to so comply, such provision or action shall, without further action by any person, be deemed to be automatically amended to the extent necessary to effect compliance with Rule 16b-3, provided that if such provision or action cannot be amended to effect such compliance, such provision or action shall be deemed null and void, to the extent

permitted by law and deemed advisable by the appropriate authority. Each award to a reporting person under this Program shall be deemed issued subject to the foregoing qualification.

(5) An award under this Program is not transferable except, as provided in the award, by will or the laws of descent and distribution, and is not subject to attachment, execution, or levy of any kind. The designation by a grantee of a designated beneficiary shall not constitute a transfer.

(6) Any rights with respect to an award granted under this Program existing after the grantee dies are exercisable by the grantee's designated beneficiary or, if there is no designated beneficiary, by the grantee's personal representative.

(7) Except as otherwise provided herein, a particular form of award may be granted to an eligible employee either alone or in addition to other awards hereunder. The provisions of particular forms of award need not be the same with respect to each recipient.

(8) If the administrative authority believes that a grantee (a) may have engaged in detrimental activity or (b) may have accepted employment with another employer or otherwise indicated an intent to resign, the authority may suspend the exercise, vesting or settlement of all or any specified portion of such grantee's outstanding awards pending an investigation of the matter.

(9) This Program and all action taken under it shall be governed by the laws of the State of New York.

(10) Any award which was granted under a shareholder-approved plan and is still outstanding shall be interpreted and administered in accordance with the definitions and administrative provisions of this Program, including, without limitation, Sections II through V hereof.

#### IV. Board Compensation Committee (BCC).

The Board shall appoint a BCC. The BCC shall consist of two or more members of the Board, each of whom is a 'nonemployee director' within the meaning of Rule 16b-3. No award may be granted to a member of the BCC.

#### V. Right to Grant Awards; Reserved Powers.

The Board is the ultimate granting authority for this Program, with the power to select eligible employees for participation in this Program and to make all decisions concerning the grant or amendment of awards. The Board may delegate such authority in whole or in part (1) in the case of reporting persons, to the BCC and (2) in the case of eligible employees who are not reporting persons, to any committee.

#### VI. Term.

The term of this Program begins on the date shareholder approval of this Program is obtained and ends on the tenth anniversary of that date.



#### VII. Awards Grantable.

(1) Subject to the provisions of this Program, an award is grantable if, should it be granted, the total number of shares effectively granted during the year of the grant would not exceed seven tenths of one percent (0.7%) of the total number of shares of Common Stock of the Corporation outstanding (excluding shares held by the Corporation) on December 31 of the preceding year.

(2) If the total number of shares effectively issued with respect to an award is less than, or exceeds, the number of shares deemed effectively granted with respect to such award, the balance of such shares shall be, respectively, added to, or subtracted from, the maximum number of shares that may be effectively granted as awards thereafter.

(3) If the total number of shares effectively granted as awards in any year is less than the maximum number of shares that could have been so granted pursuant to the provisions of this Program, the balance of such unused shares shall be added to the maximum number of shares that may be effectively granted as awards in the following year.

(4) In addition to the foregoing, shares surrendered to the Corporation in payment of the exercise price or applicable taxes upon exercise or settlement of an award may also be used thereafter for additional awards.

(5) Notwithstanding the foregoing provisions of this Section VII, the total number of shares that may be effectively granted under stock options or stock appreciation rights to any one grantee in any one calendar year may not exceed two tenths of one percent (0.2%) of the total number of shares of Common Stock of the Corporation outstanding (excluding shares held by the Corporation) on December 31, 1996; provided, that such number of shares is doubled in accordance with Section VIII to reflect a two-for-one split of the shares on March 14, 1997.

#### VIII. Adjustments.

Whenever a stock split, stock dividend, or other relevant change in capitalization which the administrative authority determines to be dilutive to outstanding awards occurs,

(1) the number of shares that can thereafter be obtained under outstanding awards and the purchase price per share, if any, under such awards, and

(2) every number of shares used in determining whether a particular award is grantable thereafter,

shall be appropriately adjusted.

## IX. Stock Options.

One or more grantable stock options can be granted to any eligible employee. Each stock option so granted shall be subject to such terms and conditions as the granting authority shall impose, which shall include the following:

(1) The exercise price per share shall be specified by the grant, but shall in no instance be less than 100 percent of fair market value at the time of grant. Payment of the exercise price shall be made in cash, shares, or other consideration in accordance with the terms of this Program and any applicable regulations of the administrative authority in effect at the time and valued at fair market value on the date of exercise of the stock option.

(2) If the grantee has not terminated, the stock option shall become exercisable at the time or times specified by the grant. If the grantee has terminated before a stock option or portion thereof becomes exercisable, that stock option or portion thereof shall be forfeited and shall never become exercisable. Except as otherwise specified by the grant, a stock option shall become immediately exercisable in full upon the death of the grantee.

(3) Any stock option or portion thereof that is exercisable is exercisable for the full amount or for any part thereof, except as otherwise provided by the grant.

(4) Each stock option ceases to be exercisable, as to any share, when the stock option is exercised to purchase that share, or when a related SAR is exercised either by the holder or automatically in accordance with its terms, or when the stock option expires. To the extent an SAR included in a stock option is exercised, such stock option shall be deemed to have been exercised and shall not be deemed to have expired.

(5) A stock option or portion thereof that is exercisable shall expire in the following situations:

(a) unless clauses (b), (c) or (d) below apply, it shall expire at the earlier of:

(i) ten years after it is granted, or

(ii) any earlier time specified by the grant;

(b) if the grantee terminates, but does not terminate normally, it shall expire at the time of termination;

(c) if the grantee is determined to have engaged in detrimental activity, it shall expire as of the date of such determination; or

(d) if the grantee dies, it shall expire at the earlier of:

(i) five years after the grantee's death, or

(ii) any earlier time specified by the grant;

but, in any case, no later than ten years after it is granted.

(6) If a grantee terminates other than normally, (a) the administrative authority may refuse to deliver shares in settlement of any pending stock option exercise and (b) the granting authority may require the grantee to repay to the Corporation an amount equal to the spread on any stock option exercised by the grantee during the six-month period immediately preceding such termination. For purposes of the foregoing subsection (6)(b), 'spread' means the difference between the aggregate stock option exercise price and the fair market value of the underlying shares on the date such option is exercised.

(7) All stock options granted hereunder are hereby designated as ISOs except to the extent otherwise specified by the grant and except to the extent otherwise specified in this Section IX(7). To the extent that the aggregate fair market value of shares with respect to which stock options designated as ISOs are exercisable for the first time by any grantee during any year (under all plans of the Corporation and any affiliate thereof) exceeds \$100,000, such stock options shall be treated as not being ISOs. The foregoing shall be applied by taking stock options into account in the order in which they were granted. For the purposes of the foregoing, the fair market value of any share shall be determined as of the time the stock option with respect to such share is granted. In the event the foregoing results in a portion of a stock option designated as an ISO exceeding the above \$100,000 limitation, only such excess shall be treated as not being an ISO.

For each year in which this Program is in effect, the number of shares that may be effectively granted as ISOs may not exceed seven tenths of one percent (0.7%) of the total number of shares of Common Stock of the Corporation outstanding (excluding shares held by the Corporation) on the December 31 preceding the date on which shareholder approval of this Program is obtained; provided, that beginning with the year 1998, the annual number of shares determined as aforesaid shall be doubled in accordance with Section VIII to reflect a two-for one split of the shares on March 14, 1997. If the number of shares effectively granted as ISOs in any year is less than the number of shares that could have been so granted pursuant to this paragraph, the balance of such unused shares may be added to the maximum number of shares that may be effectively granted as ISOs the following year.

A stock option designated as an ISO, or portion thereof, that fails or ceases to qualify as such under the Code shall otherwise remain valid according to its terms as a non-ISO under this Program.

#### X. Stock Appreciation Rights.

(1) An SAR may be granted to an eligible employee as a separate award hereunder. Any such SAR shall be subject to such terms and conditions as the granting authority shall impose, which shall

include provisions that (a) such SAR shall entitle the holder thereof, upon exercise thereof in accordance with such SAR and the regulations of the administrative authority, to receive from the Corporation that number of shares having an aggregate value equal to the excess of the fair market value, at the time of exercise of such SAR, of one share over the exercise price per share specified by the grant of such SAR (which shall in no instance be less than 100 percent of fair market value at the time of grant) times the number of shares specified in such SAR, or portion thereof, which is so exercised; and (b) such SAR shall be exercisable, or be forfeited or expire, upon the same conditions set forth for freestanding options in Section IX, paragraphs (2), (3), (4), (5), and (6).

(2) Any stock option granted under this Program may include an SAR, either at the time of grant or by amendment. An SAR included in a stock option shall be subject to such terms and conditions as the granting authority shall impose, which shall include provisions that (a) such SAR shall be exercisable to the extent, and only to the extent, the stock option is exercisable; and (b) such SAR shall entitle the optionee to surrender to the Corporation unexercised the stock option in which the SAR is included, or any portion thereof, and to receive from the Corporation in exchange therefor that number of shares having an aggregate value equal to the excess of the fair market value, at the time of exercise of such SAR, of one share over the exercise price specified in such stock option times the number of shares specified in such stock option, or portion thereof, which is so surrendered.

(3) In lieu of the right to receive all or any specified portion of such shares, an SAR may entitle the holder thereof to receive the cash equivalent thereof as specified by the grant.

(4) An SAR may provide that such SAR shall be deemed to have been exercised at the close of business on the business day preceding the expiration of such SAR or the related stock option, if any, if at such time such SAR has positive value and would have expired in accordance with the conditions set forth in Section IX(5)(a).

#### XI. Restricted Stock.

(1) An award of restricted stock may be granted hereunder to an eligible employee, for no cash consideration, for such minimum consideration as may be required by applicable law, or for such other consideration as may be specified by the grant. The terms and conditions of restricted stock shall be specified by the grant.

(2) Any restricted stock issued hereunder may be evidenced in such manner as the administrative authority in its sole discretion shall deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of shares of restricted stock awarded hereunder, such certificate shall bear an appropriate legend with respect to the restrictions applicable to such award.

(3) Except as otherwise specified by the grant, if a holder of record of restricted stock terminates, but does not terminate normally, all shares of restricted stock (whether or not stock certificates have been issued) then held by such holder and then subject to restriction shall be forfeited by such holder and reacquired by the Corporation. Except as otherwise specified by the

grant, if a holder of record of restricted stock terminates normally or dies, any and all remaining restrictions with respect to such restricted stock shall expire. Notwithstanding the foregoing, if a holder of record of restricted stock is determined to have engaged in detrimental activity, all shares of restricted stock (whether or not stock certificates have been issued) then held by such holder and then subject to restriction shall be forfeited by such holder as of the date of such determination and shall be reacquired by the Corporation.

#### XIII. Performance Awards.

(1) Performance awards may be granted hereunder to an eligible employee, for no cash consideration, for such minimum consideration as may be required by applicable law, or for such other consideration as may be specified by the grant. The terms and conditions of performance awards, which may include provisions establishing performance periods, performance criteria to be achieved during a performance period, and maximum or minimum settlement values, shall be specified by the grant.

(2) Performance awards may be valued by reference to the value of Common Stock of the Corporation or according to any other formula or method. Performance awards may be paid in cash, shares, or other consideration, or any combination thereof. The extent to which any applicable performance criteria have been achieved shall be conclusively determined by the administrative authority. Performance awards may be payable in a single payment or in installments and may be payable at a specified date or dates or upon attaining performance criteria.

(3) Except as otherwise specified by the grant, if the grantee terminates, but does not terminate normally, any performance award or installment thereof not payable prior to the grantee's termination shall be annulled as of the date of termination. If the grantee is determined to have engaged in detrimental activity, any performance award or installment thereof not payable prior to the date of such determination shall be annulled as of such date.

#### XIII. Incentive Shares.

(1) An incentive award may be granted hereunder in the form of shares. Incentive shares may be granted to an eligible employee for no cash consideration, for such minimum consideration as may be required by applicable law, or for such other consideration as may be specified by the grant. The terms and conditions of incentive shares shall be specified by the grant.

(2) Incentive shares may be paid to the grantee in a single installment or in installments and may be paid at the time of grant or deferred to a later date or dates. Each grant shall specify the time and method of payment as determined by the granting authority, provided that no such determination shall authorize delivery of shares to be made later than the tenth anniversary of the grantee's date of termination. The granting authority, by amendment of the grant prior to delivery, can modify the method of payment for any incentive shares, provided that the delivery of any incentive shares shall be completed not later than the tenth anniversary of the grantee's date of termination.

(3) If any incentive shares are payable after the grantee dies, such shares shall be payable (a) to the grantee's designated beneficiary or, if there is no designated beneficiary, to the grantee's personal representative, and (b) either in the form specified by the grant or otherwise, as may be determined by the administrative authority.

(4) Any grant of incentive shares is provisional, as to any share, until delivery of the certificate representing such share. If, while the grant is provisional,

(a) the grantee terminates, but does not terminate normally, or

(b) the grantee is determined to have engaged in detrimental activity,

the grant shall be annulled as of the date of termination, or the date of such determination, as the case may be.

#### XIV. Dividend Equivalent Rights; Interest Equivalents.

(1) A DER may be granted hereunder to an eligible employee, as a component of another award or as a separate award. The terms and conditions of DERs shall be specified by the grant. Dividend equivalents credited to the holder of a DER may be paid currently or may be deemed to be reinvested in additional shares (which may thereafter accrue additional dividend equivalents). Any such reinvestment shall be at fair market value at the time thereof. DERs may be settled in cash or shares or a combination thereof, in a single installment or installments. A DER granted as a component of another award may provide that such DER shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other award, and that such DER shall expire or be forfeited or annulled under the same conditions as such other award. A DER granted as a component of another award may also contain terms and conditions different from such other award.

(2) Any award under this Program that is settled in whole or in part in cash on a deferred basis may provide by the grant for interest equivalents to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

#### XV. Other Awards.

Other forms of award based on, payable in or otherwise related in whole or in part to shares may be granted to an eligible employee under this Program if the granting authority determines that such awards are consistent with the purposes and restrictions of this Program. The terms and conditions of such awards shall be specified by the grant. Such awards shall be granted for no cash consideration, for such minimum consideration as may be required by applicable law, or for such other consideration as may be specified by the grant.

XVI. Amendments to This Program.

The Board can from time to time amend or terminate this Program, or any provision hereof, except that approval of the shareholders of the Corporation shall be required for any amendment (1) to increase the maximum number of shares that may be effectively granted as awards hereunder; (2) to decrease the minimum exercise price per share of a stock option or SAR; or (3) for which such approval is otherwise necessary to comply with any applicable law, regulation, or listing requirement, or to qualify for an exemption or characterization that is deemed desirable by the Board.

XVII. Amendments to Awards.

Any award which was granted under a shareholder-approved plan and is still outstanding may, subject to any requirements of applicable law or regulation, be amended by action of the granting authority so as to incorporate in that award any terms that might have been incorporated in an award under this Program.

XVIII. Withholding Taxes.

The Corporation shall have the right to deduct from any cash payment made under this Program any federal, state or local income or other taxes required by law to be withheld with respect to such payment. It shall be a condition to the obligation of the Corporation to deliver shares or securities of the Corporation upon exercise of a stock option or SAR, upon settlement of a performance award or DER, upon delivery of restricted stock or incentive shares, or upon exercise, settlement, or payment of any other award under this Program, that the grantee of such award pay to the Corporation such amount as may be requested by the Corporation for the purpose of satisfying any liability for such withholding taxes. Any award under this Program may provide by the grant that the grantee of such award may elect, in accordance with any applicable regulations of the administrative authority, to pay a portion or all of the amount of such minimum required or additional permitted withholding taxes in shares. The grantee shall authorize the Corporation to withhold, or shall agree to surrender back to the Corporation, on or about the date such withholding tax liability is determinable, shares previously owned by such grantee or a portion of the shares that were or otherwise would be distributed to such grantee pursuant to such award having a fair market value equal to the amount of such required or permitted withholding taxes to be paid in shares.

XIX. Grant of Awards to Employees Who are Foreign Nationals.

Without amending this Program, but subject to the limitations specified in Sections III(4) and XVI, the granting authority can grant or amend, and the administrative authority can administer, annul, or terminate, awards to eligible employees who are foreign nationals on such terms and conditions different from those specified in this Program as may in its judgment be necessary or desirable to foster and promote achievement of the purposes of this Program.





## EXXON CORPORATION

SHORT TERM INCENTIVE PROGRAM  
(as amended May 28, 1997)

I. Purpose. The Short Term Incentive Program is intended to help maintain and develop strong management through incentive awards to key employees of the Corporation and certain of its affiliates for recognition of efforts and accomplishments which contribute materially to the success of the Corporation's business interests.

II. Definitions. In this Program, except where the context otherwise indicates, the following definitions apply:

(1) 'Administrative authority' means one of the following, as appropriate in accordance with Section III: the Board; any committee to which the Board delegates authority to administer this Program; or, in individual cases, the Chairman of the Board or persons acting under his direction.

(2) 'Affiliate' means (a) any subsidiary and (b) any other corporation, partnership, joint venture, or other entity in which the Corporation, directly or indirectly, owns an equity interest and which the administrative authority deems to be an affiliate for purposes of this Program (including, without limitation, for purposes of determining whether a change of employment constitutes a termination).

(3) "Award" means a bonus, bonus unit, or other incentive award under this Program.

(4) "Board" means the Board of Directors of the Corporation.

(5) "Board Compensation Committee," hereinafter sometimes called the "BCC," means the committee of the Board so designated.

(6) "Bonus" means an award granted under this Program which may be payable in cash or other consideration as specified by the grant.

(7) "Bonus unit" means an award granted under this Program to receive from the Corporation an amount of cash or other consideration not to exceed the maximum settlement value and based upon a measurement for valuation as specified by the grant. The term bonus unit includes, but is not limited to, earnings bonus units.

(8) "By the grant" means by the action of the granting authority at the time of the grant of an award hereunder, or at the time of an amendment of the grant, as the case may be.

(9) "Corporation" means Exxon Corporation, a New Jersey corporation.

(10) "Designated beneficiary" means the person designated by the grantee of an award hereunder to be entitled, on the death of the grantee, to any remaining rights arising out of such award. Such designation must be made in writing and in accordance with such regulations as the administrative authority may establish.

(11) "Detrimental activity" means activity that is determined in individual cases by the administrative authority to be detrimental to the interests of the Corporation or any affiliate.

(12) "Earnings bonus unit," hereinafter sometimes called an "EBU," means a bonus unit granting the right to receive from the Corporation at the settlement date specified by the grant, or at a later payment date so specified, an amount of cash equal to the Corporation's cumulative consolidated earnings per common share as reflected in its quarterly earnings statements as initially published commencing with earnings for the first full quarter following the date of grant to and including the last

full quarter preceding the date of settlement, but the amount of such settlement shall not exceed the maximum settlement value specified by the grant.

(13) "Eligible employee" means an employee of the Corporation or a subsidiary who is a director or officer, or in a managerial, professional, or other key position as determined by the granting authority.

(14) "Employee" means an employee of the Corporation or an affiliate.

(15) "Grantee" means a recipient of an award under this Program.

(16) "Granting authority" means the Board or any appropriate committee authorized to grant and amend awards under this Program in accordance with Section V and to exercise other powers of the granting authority hereunder.

(17) "Reporting person" means a person subject to the reporting requirements of Section 16 with respect to equity securities of the Corporation.

(18) "Section 16" means Section 16 of the Securities Exchange Act of 1934, together with the rules and interpretations thereunder, as in effect from time to time.

(19) "Subsidiary" means a corporation, partnership, joint venture, or other entity in which the Corporation, directly or indirectly, owns a 50% or greater equity interest.

(20) "Terminate" means cease to be an employee, except by death, but a change of employment from the Corporation or one affiliate to another affiliate or to the Corporation shall not be considered a termination. For purposes of this Program, the administrative authority may determine that the time or date of termination is the day an

employee resigns, accepts employment with another employer or otherwise indicates an intent to resign, which time or date need not necessarily be the last day on the payroll.

(21) "Terminate normally" for purposes of this Program means terminate

- (a) at normal retirement time for that employee, or
- (b) with written approval of the administrative authority given in the context of recognition that all or a specified portion of the outstanding awards to that employee will not expire or be forfeited or annulled because of such termination

and, in each such case, without being terminated for cause.

(22) "Year" means calendar year.

### III. Administration.

(1) The Board is the ultimate administrative authority for this Program, with the power to conclusively interpret its provisions and decide all questions of fact arising in its application. The Board may delegate its authority pursuant to any provision of this Program to a committee which, except in the case of the BCC, need not be a committee of the Board. Subject to the authority of the Board or an authorized committee and excluding cases involving the Chairman as grantee, the Chairman of the Board and persons acting under his direction may serve as the administrative authority under this Program for purposes of making determinations and interpretations in individual cases.

(2) The Board and any committee acting as the administrative authority under this Program can act by regulation, by making individual determinations, or by both. The Chairman of the Board and persons designated by him can act as the administrative authority under this Program only by making individual determinations.

(3) All determinations and interpretations pursuant to the provisions of this Program shall be binding and conclusive upon the individual employees involved and all persons claiming under them.

(4) It is intended that this Program shall not be subject to the provisions of Section 16 and that awards granted hereunder shall not be considered equity securities of the Corporation within the meaning of Section 16. Accordingly, no award under this Program shall be payable in any equity security of the Corporation. In the event an award to a reporting person under this Program should be deemed to be an equity security of the Corporation within the meaning of Section 16, such award may, to the extent permitted by law and deemed advisable by the granting authority, be amended so as not to constitute such an equity security or be annulled. Each award to a reporting person under this Program shall be deemed issued subject to the foregoing qualification.

(5) An award under this Program is not transferable prior to payment or settlement except, as provided in the award, by will or the laws of descent and distribution, and is not subject, in whole or in part, to attachment, execution, or levy of any kind. The designation by a grantee of a designated beneficiary shall not constitute a transfer.

(6) The grantee's designated beneficiary or, if there is no designated beneficiary, the grantee's personal representative shall be entitled to any remaining rights with respect to an award granted under this Program existing after the grantee dies.

(7) Except as otherwise provided herein, a particular form of award may be granted to an eligible employee either alone or in addition to other awards hereunder. The provisions of particular forms of award need not be the same with respect to each recipient.

(8) If the administrative authority believes that a grantee (a) may have engaged in detrimental activity or (b) may have accepted employment with another employer or otherwise indicated an intent to resign, the authority may suspend the delivery, vesting or settlement of all or any specified portion of such grantee's outstanding awards pending an investigation of the matter.

(9) This Program and all action taken under it shall be governed by the laws of the State of New York.

IV. Annual Ceiling. In respect to each year under the Program, the BCC shall, pursuant to authority delegated by the Board, establish a ceiling on the aggregate dollar amount that can be awarded hereunder. With respect to bonuses granted in a particular year under the Program, the sum of:

(1) the aggregate amount of bonuses in cash, and

(2) the aggregate maximum settlement value of bonuses in any form of bonus unit shall not exceed such ceiling.

The BCC may revise the ceiling as it deems appropriate.

V. Right to Grant Awards; Reserved Powers. The Board is the ultimate granting authority for this Program, with the power to select eligible employees for participation in this Program and to make all decisions concerning the grant or amendment of awards. The Board may delegate such authority in whole or in part to a committee which, except in the case of the BCC, need not be a committee of the Board.

VI. Term. The term of this Program begins on November 1, 1993 and shall continue until terminated by the Board.

VII. Bonuses Grantable. A bonus is grantable in respect of any year to any eligible employee during such year if, should it be granted, the aggregate amount of the bonuses granted in respect of that year will not exceed the ceiling established from time to time by the BCC. In this connection, each bonus granted ceases to be effectively granted to the extent that the grant is annulled. No award may be granted to a member of the BCC.

VIII. Form of Bonus. Subject to Section III(4), a grantable bonus can be granted to any eligible employee in respect of any year either wholly in cash, bonus units, or other consideration, or partly in two or more such forms.

IX. Settlement of Bonuses. Each grant shall specify the time and method of settlement as determined by the granting authority, provided that no such determination shall authorize settlement to be made later than the tenth anniversary of the grantee's date of termination. Each grant, any portion of which is granted in bonus units, shall specify as the regular method of settlement for that portion a settlement date, which may be accelerated to an earlier time as specified by the grant, provided, however, whether or not the settlement date has been accelerated, payment of cash to the grantee to complete such settlement may be postponed, by the grant, so long as such payment is not postponed beyond the tenth anniversary of the grantee's date of termination. The granting authority, by amendment of the grant prior to payment or delivery, can modify any method of settlement for any bonus or portion thereof, provided that the settlement of any bonus shall be completed by the payment of any cash not later than the tenth anniversary of the grantee's date of termination.

X. Installments Payable After Death. If any bonus or installment thereof is payable after the grantee dies, it shall be payable

(1) to the grantee's designated beneficiary or, if there is no designated beneficiary, to the grantee's personal representative, and

(2) either in the form specified by the grant or otherwise, as may be determined in the individual case by the administrative authority.

XI. Interest Equivalentents. With respect to the relevant portion of a bonus granted in cash for delivery more than six months after the date of grant, there shall be credited to the grantee an amount equivalent to interest (which may be compounded) as specified by the grant with respect to the period beginning at the date of grant and ending on the date as specified by the grant. The rate of interest, if any, credited to the grantee shall be determined from time to time by the BCC.

With respect to the relevant portion of a bonus granted in bonus units the payment of cash in settlement of which is postponed more than six months after the settlement date, there shall be credited to the grantee an amount equivalent to interest (which may be

compounded) as specified by the grant. The rate of interest, if any, credited to the grantee shall be determined from time to time by the BCC.

Such credits for interest equivalents shall not be included in any computation made for purposes of any ceiling established by the BCC pursuant to Section IV.

When a bonus in cash is paid, any interest equivalents so credited on the cash shall be paid. When a bonus in units is paid, any interest equivalents so credited on the units shall be paid.

XII. Annulment of Grant. The grant of any bonus or portion thereof is provisional until cash or other consideration is paid in settlement thereof, except to the extent the granting authority shall have declared the bonus to be vested and nonforfeitable. If, while the grant is provisional,

(1) the grantee terminates but does not terminate normally, or

(2) the grantee is determined to have engaged in detrimental activity, the grant shall be annulled as of the time of termination, or the date such activity is determined to be detrimental, as the case may be.

XIII. Amendments to this Program. The Board can from time to time amend or terminate this Program, or any provision hereof.

XIV. Amendments to Awards. The granting authority may amend any outstanding award under this Program to incorporate any terms that could then be incorporated in a new award under this Program.

XV. Withholding Taxes. The Corporation shall have the right to deduct from any cash payment made under this Program any federal, state or local income or other taxes required by law to be withheld with respect to such payment. In the case of a payment under this Program other than cash, the grantee will pay to the Corporation such amount of cash as may be requested by the Corporation for purpose of satisfying any liability for such withholding taxes.

XVI. Grant of Awards to Employees Who Are Foreign Nationals. Without amending this Program, but subject to the limitations specified in Section III(4), the granting authority can grant or amend, and the administrative authority can administer, annul, or terminate, awards to eligible employees who are foreign nationals on such terms and conditions different from those specified in this Program as may in its judgment be necessary or desirable to foster and promote achievement of the purposes of this Program.

