

Read the Fine Print: What ExxonMobil’s Proxy Actually Says About Texas Redomiciliation

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ExxonMobil shareholders are being asked to approve a redomiciliation from New Jersey to Texas—a move that has triggered broader debate about whether Texas’s recent corporate-governance reforms weaken shareholder rights relative to established jurisdictions like Delaware. Critics¹ argue that Texas law enables “corporate disenfranchisement by design,”² particularly through opt-in provisions affecting shareholder proposals and derivative litigation. ExxonMobil’s proxy materials take the opposite position, expressly declining to adopt those provisions and representing that the redomiciliation does not weaken shareholder rights. The dispute therefore turns less on whether Texas has enacted controversial opt-in provisions than on what ExxonMobil’s proxy statement actually says the company is adopting, declining, and preserving. This essay examines that question through the proxy record, the statutory framework, and the available empirical evidence.

ExxonMobil’s critics urged shareholders to “read the fine print.”³ They were right to insist on it. A full reading shows a company that disclosed exactly which rights it was preserving, identified which Texas provisions it was declining, and did so in proxy solicitation materials subject to the federal proxy antifraud rules. The fine print does not support the disenfranchisement thesis. It refutes it.

The concerns animating the critique are legitimate. The concentration of voting power

¹Christina M. Sautter, *Exxon Texas Move Should Prompt Shareholders to Read Fine Print*, Bloomberg Law (Mar. 20, 2026), [Bloomberg Law](#) [hereinafter Sautter, *Read Fine Print*]; Christina M. Sautter, *Texas Corporate Reforms Silence Retail Shareholders—By Design*, Bloomberg Law (Jan. 6, 2026), [Bloomberg Law](#) [hereinafter Sautter, *Silence Retail*]; Christina M. Sautter, *The Texas Reincorporation Trap—What the ExxonMobil Vote Reveals About Board Power*, Tex. Lawbook (Mar. 31, 2026), [Texas Lawbook](#) [hereinafter Sautter, *Reincorporation Trap*]; Sergio Alberto Gramitto Ricci & Christina M. Sautter, *Corporate Disenfranchisement*, 17 U.C. Irvine L. Rev. (forthcoming) (ECGI Law Working Paper No. 902/2026, Feb. 21, 2026), [SSRN](#) [hereinafter Gramitto Ricci & Sautter, *Disenfranchisement*].

²Sautter, *Read Fine Print*, *supra* note 1 (“This is corporate disenfranchisement by design—the Leopard Paradigm at its best”); Gramitto Ricci & Sautter, *Disenfranchisement*, *supra* note 1, at 2–3.

³*See* 17 C.F.R. § 240.14a-9 (2025) (prohibiting materially false or misleading statements in proxy soliciting materials); *TSC Indus., Inc. v. Northway, Inc.*, 426 U.S. 438, 449 (1976) (defining materiality under the federal proxy rules). The specific proxy commitments are documented *infra* notes 5–6 and accompanying text.

in index funds, the structural barriers facing retail investors, and the risk that reincorporation arbitrage could erode shareholder rights across jurisdictions are valid, and the scholars raising them are asking the right questions.⁴ But the commentary does more than raise questions; it advances a specific claim: that ExxonMobil’s proposal to redomicile from New Jersey to Texas is corporate disenfranchisement by design. The proxy record, the statutory text, ExxonMobil’s governance history, and the market reaction each provide evidence on that claim—and each runs the other way.

The Proxy Record: ExxonMobil Declined the Provisions Critics Attack

ExxonMobil’s definitive proxy, filed as proxy soliciting material subject to Rule 14a-9 antifraud rules, states: “The Company is not adopting any elective provisions of the Texas corporate statute that weaken shareholder rights as compared to New Jersey law in connection with the Texas Redomiciliation.”⁵ That language is neither hedged nor limited to specific provisions; it covers *any* elective provision that weakens shareholder rights. The commitment is false or misleading only at the cost of federal securities enforcement.

The entire statistical apparatus of the critique is directed at two opt-in provisions ExxonMobil expressly declined: the SB 1057 shareholder-proposal thresholds under Tex. Bus. Orgs. Code § 21.373, and the SB 29 derivative-standing threshold under § 21.552(a)(3).⁶ Critics do not argue the proxy is false. They argue the commitments are “meaningless” because a future board could amend the bylaws. Applied consistently, that argument renders every governance commitment in every proxy in every jurisdiction meaningless—because every board everywhere retains authority to amend bylaws. This is a feature of corporate law, not of Texas. The critique also implies that redomiciliation itself is the disenfranchising act. But the proxy is explicit that New Jersey *already permits* the very eligibility and procedural restrictions the critique condemns: “no provision of the New Jersey Business Corporation Act limits a corporation’s ability to adopt eligibility and procedural restrictions on shareholder

⁴See Gramitto Ricci & Sautter, *Disenfranchisement*, *supra* note 1, at 2–5, 9–12 (developing “rights-powers gap” framework for index-fund concentration and retail-investor barriers).

⁵Exxon Mobil Corp., Definitive Proxy Statement (Form DEF 14A) at 77 (Apr. 8, 2026) [hereinafter ExxonMobil DEF 14A], [SEC EDGAR](#). See 17 C.F.R. § 240.14a-9 (2025); *TSC Indus., Inc. v. Northway, Inc.*, 426 U.S. 438, 449 (1976); *J.I. Case Co. v. Borak*, 377 U.S. 426, 431 (1964).

⁶Both provisions are opt-in: the corporation must affirmatively elect them in its certificate of formation or bylaws. See Tex. Bus. Orgs. Code Ann. § § 21.373(a) (West 2025); *id.* § 21.552(a)(3). ExxonMobil DEF 14A, *supra* note 5, at 76–114 (identifying both provisions and stating the company is not adopting either).

proposals.”⁷ The jurisdictional shift is therefore not the mechanism of disenfranchisement the critique asserts.

The Statutory Text: The Law Is Designed for Coalitions, Not Exclusion

The “by design” charge fails against the statute itself. Section 21.373 expressly authorizes “a shareholder or group of shareholders” to submit a proposal, sets a *disjunctive* threshold—\$1 million in market value **or** 3% of voting shares—and *requires* electing corporations to disclose in proxy materials “how shareholders may contact other shareholders for the purpose of satisfying the ownership requirements.”⁸ At ExxonMobil, the \$1 million prong controls. 3,135 institutions — roughly two-thirds of the 4,869 13F-family holder universe — individually exceed it without forming any coalition at all.⁹ For derivative standing under Section § 21.552, the coalition picture is equally inconsistent with the exclusion thesis: *14,631 two-firm combinations across the full 4,869-holder universe exceed the 3% threshold.* The statute itself defines “shareholder” to include “two or more shareholders acting in concert” with respect to a derivative proceeding—a statutory coalition right that parallels the aggregation mechanism in Section § 21.373.¹⁰ The arithmetic is not in serious dispute. The critique’s thesis is not that coordination is *structurally* impossible—the statute facilitates it

⁷ExxonMobil DEF 14A, *supra* note 5, at 78. The same proxy that declines the SB 1057 and SB 29 opt-ins also documents that the company could have adopted functionally similar restrictions under New Jersey law and did not. The critique’s “Texas-enables-disenfranchisement” framing does not survive that textual record.

⁸Tex. Bus. Orgs. Code Ann. § § 21.373(d)–(e) (West 2025); S.B. 1057, 89th Leg., R.S. (Tex. 2025), [Texas Legislature Online: S.B. 1057](#).

⁹*See infra* fn. 10 for universe definition, methodology, and position-date disclosure. The \$1 million prong qualification count of 3,135 holders applies the same 13F-family nonzero-holder universe described there to ExxonMobil’s market capitalization on the relevant reporting-period close.

¹⁰Coalition analysis by the author using S&P Capital IQ *Public Ownership Detailed* data, restricted to the 13F-family nonzero-holder universe (sources: 13F, Aggregated 13F, Exchange Announcement, Multiple; exact duplicate holder names consolidated; zero-share rows excluded). **Universe size:** 4,869 unique 13F-family holders after consolidation; 3,135 hold \geq \$1 million in ExxonMobil market value. **Position-date convention.** The underlying workbook is a mixed latest-available snapshot rather than a clean year-end pull: 4,160 of 4,869 primary-universe holders are dated March 31, 2026; the remainder include several large holders (Vanguard, FMR, Geode, Norges Bank, Morgan Stanley, Northern Trust, Strategic Advisers, T. Rowe Price) that remain at December 31, 2025. **Methodology.** The unit of analysis is the top-level 13F filer (the institution submitting the Form 13F to the SEC); subsidiary positions are consolidated at the parent-filer level and not double-counted. Position size is measured at the reporting-period close using ExxonMobil’s closing price on the relevant valuation date. Two-firm pair enumeration covers all $C(4,869, 2) = 11,851,146$ candidate pairs; a combination qualifies when combined ownership of common stock outstanding is at least 3.000% under inclusive-ceiling rounding at S&P Capital IQ’s 0.001% precision. Replication workbook on file with the author.

and the arithmetic confirms it—but that it is *behaviorally* improbable. That is a different claim. A theory that depends on universal institutional passivity is not a theory of disenfranchisement. It is a theory of dormancy. Notably, the contact-facilitation mechanism in § § 21.373(d)—the statute’s own answer to the coordination objection—does not appear in the critique’s Bloomberg Law, Texas Lawbook, or ECGI publications.¹¹ That premise is difficult to reconcile with the same authors’ own account of large-scale retail investor

Full universe (N=4,869). Three filers exceed 3% individually—Vanguard (10.368%), BlackRock (7.767%), State Street (5.164%)—each qualifying on a standalone basis. Qualifying combinations that clear the 3% threshold: *14,631 two-firm pairs; 35.7 million three-firm combinations; 58.0 billion four-firm combinations.*

Ex-Big-Three (N=4,866). Excluding Vanguard, BlackRock, and State Street entirely, no individual filer reaches 3%, but *exactly thirty two-firm pairs* still qualify—a count that is stable across both the prior December 31, 2025 universe (also thirty) and the present mixed-date universe, although the specific pair composition shifted by one element between the two runs. All thirty pairs in the present universe are anchored by either FMR LLC (2.380%) or Geode Capital Management (2.314%): sixteen qualifying pairs combine FMR with each counterparty holding at least 0.620% (the marginal counterparty being Dimensional Fund Advisors at 0.684%, yielding 3.064%); fourteen qualifying pairs combine Geode with each counterparty holding at least 0.686% (the marginal counterparty being Eaton Vance Management at 0.697%, yielding 3.011%). The FMR–Geode pair itself is the largest at a combined 4.694% without any Big-Three participation, slightly stronger than the prior 4.67% reading. Counterparty universe (16 distinct firms): Geode (anchored by FMR), Norges Bank Investment Management, Capital Research and Management, JP Morgan Asset Management, Morgan Stanley Investment Banking and Brokerage, Northern Trust Global Investments, BNY Asset Management, Managed Account Advisors, Charles Schwab Investment Management, Strategic Advisers, Fisher Asset Management, UBS Asset Management, T. Rowe Price Group, State Farm Asset Management, Eaton Vance Management, and Dimensional Fund Advisors. *148,035 qualifying three-firm combinations and 365 million qualifying four-firm combinations* exist ex-Big-Three; any third institution added to the FMR+Geode anchor produces another qualifying trio. The prior reading included a marginal Norges Bank+Capital Research pair at a combined 3.03%; under the present mixed-date snapshot those two holders sum to 2.991% and no longer qualify as a standalone pair, but each remains a qualifying counterparty for FMR– and Geode-anchored coalitions.

See Tex. Bus. Orgs. Code Ann. § § 21.551(2)(C) (West 2025) (defining “shareholder,” for purposes of derivative proceedings, to include “two or more shareholders acting in concert under an informal or formal agreement or understanding”); *id.* § 21.552(a)(3) (permitting corporations to establish ownership threshold of up to 3% for derivative standing); S.B. 29, 89th Leg., R.S., §§ 11–13 (Tex. 2025), [Texas Legislature Online: S.B. 29](#).

¹¹*See* Sautter, *Read Fine Print*, *supra* note 1; Sautter, *Reincorporation Trap*, *supra* note 1; Gramitto Ricci & Sautter, *Disenfranchisement*, *supra* note 1. None of the three publications quotes or engages Tex. Bus. Orgs. Code Ann. § § 21.373(d) (West 2025).

coordination in the GameStop and AMC episodes.¹²

The proposal-frequency benchmark is a category error. The critique attributes to the Council of Institutional Investors a figure of “once every 8.3 years” for Russell 3000 shareholder proposal frequency, using it to argue that SB 1057’s thresholds suppress a mechanism that is, “for most corporations, essentially nonexistent.”¹³ ExxonMobil—the company at the center of the critique—received 230 shareholder proposals over 31 years, averaging nearly eight per annual meeting, and its own 2024 proxy states it receives “over 14 shareholder proposals” per year, more than seven times the typical S&P 500 company.¹⁴ Applying a broad-market average to a Fortune 50 company that ranks among the most heavily engaged in the index is not a statistical argument. It is a mismatch between the data and the claim—one that disappears entirely once the analysis is directed at the company actually before the shareholders voting on this proposal.

The Governance Record: Shareholder Influence Is Structural Here

The commentary suggests formal governance changes are illusory at this company. The record rejects the premise. In 2021, Engine No. 1 held a 0.02% stake worth roughly \$40 million and replaced three of twelve directors over management’s explicit opposition— assembling a coalition of BlackRock, Vanguard, State Street, CalPERS, CalSTRS, ISS, and

¹²See Sergio Alberto Gramitto Ricci & Christina M. Sautter, *Corporate Governance Gaming: The Collective Power of Retail Investors*, 22 Nev. L.J. 51, 52–53 (2021) (describing retail investors coordinating through online platforms as “the most disruptive revolution in corporate governance of the millennium”); Sergio Alberto Gramitto Ricci & Christina M. Sautter, *Wireless Investors & Apathy Obsolescence*, 100 Wash. U. L. Rev. 1653, 1656–58 (2023) (arguing that wireless investors’ “global-scale online interactions allow them to circulate information and coordinate, obliterating collective action problems”). See also U.S. Sec. & Exch. Comm’n, Div. of Examinations, *Staff Report on Equity and Options Market Structure Conditions in Early 2021*, at 25–30 (Oct. 14, 2021), [SEC Staff Report](#) (documenting retail-investor coordination via Reddit and other online platforms during the GameStop and AMC episodes).

¹³Sautter, *Reincorporation Trap*, *supra* note 1. The 8.3-year figure reflects internal Council of Institutional Investors data confirmed by CII. Publicly available CII-related data indicates approximately 13% of Russell 3000 companies receive a shareholder proposal in any given year—yielding a figure of approximately 7.7 years, not 8.3. *Cf.* Council of Institutional Investors, *SEC Muzzles the Voice of Investors* (Sept. 23, 2020), [CII: SEC Muzzles the Voice of Investors](#); Shareholder Rights Group, Letter to the SEC, File No. 4-725, at 2 (Sept. 2018), [SEC Comment Letter](#) (“13% of Russell 3000 companies received a shareholder proposal”).

¹⁴Morningstar/Sustainalytics (Jackie Cook), *What to Expect at Exxon’s Annual Meeting* (May 23, 2025) (230 proposals, 1994–2024), [Morningstar/Sustainalytics](#); Exxon Mobil Corp., DEFA14A at 3 (May 14, 2024), [SEC EDGAR: ExxonMobil DEFA14A \(May 2024\)](#) (“over 14 shareholder proposals” per year vs. “less than two” for the typical S&P 500 company).

Glass Lewis.¹⁵ The board that unanimously recommended this redomiciliation is the board shareholder engagement built: Alexander Karsner (Engine No. 1 nominee) on Nominating and Governance; Kaisa Hietala (Engine No. 1 nominee) on Audit; Jeffrey Ubben (founder of ValueAct Capital and among the most prominent shareholder activists of the past two decades) on Finance; and Joseph Hooley, former State Street CEO, as Lead Independent Director.¹⁶ At the same meeting shareholders vote on the redomiciliation, they also vote on a proposal submitted by the NYC Comptroller requesting multiple voting options within ExxonMobil’s Voluntary Retail Voting Program—the very program critics characterize as structurally insulating management. This is not a board insulated from shareholder influence. It is a board shaped by it.

The Comparative Record: Neither Alternative Is What Critics Imply

The redomiciliation produces real governance changes. Some provisions shift toward managerial control; others strengthen shareholder rights.¹⁷ These are tradeoffs. The provisions critics emphasize—shareholder proposal thresholds and derivative ownership requirements—are not part of the redomiciliation package. ExxonMobil declined both.¹⁸ The governance provisions that change automatically—including the freezeout trigger, moratorium duration,

¹⁵Robert G. Eccles & Colin Mayer, *Can a Tiny Hedge Fund Push ExxonMobil Towards Sustainability?*, Harv. Bus. Rev. (Jan. 20, 2021), [HBR](#); Skadden, Arps, Slate, Meagher & Flom LLP, *What the Exxon Mobil Shareholder Votes Mean* (June 2021), [Skadden](#).

¹⁶ExxonMobil DEF 14A, *supra* note 5, at 20–36. Ubben announced he will not stand for reelection at the 2026 annual meeting. Exxon Mobil Corp., Form 8-K (Feb. 18, 2026).

¹⁷ExxonMobil DEF 14A, *supra* note 5, at 76–114, [SEC EDGAR](#). The proxy provides a side-by-side comparison of New Jersey and Texas governance provisions, including voting standards, written consent, and forum selection clauses. *See id.* at 82–110. The operative post-redomiciliation instruments appear at Annex B (Texas Certificate of Formation, at 135–38) and Annex C (Texas Bylaws, at 139–62); the current New Jersey instruments appear at Annex D (Restated Certificate of Incorporation, at 163–89) and Annex E (By-Laws, at 190–212), permitting direct verification of each comparative claim.

¹⁸The operative Texas certificate of formation and bylaws included as Annexes B and C contain no election into Tex. Bus. Orgs. Code Ann. § § 21.552(a)(3) (derivative ownership threshold) and no election into Tex. Bus. Orgs. Code Ann. § § 21.373(a)–(d) (shareholder proposal threshold). ExxonMobil DEF 14A, *supra* note 5, Annex B at 135–38; *id.*, Annex C at 139–62.

Critics acknowledge this non-adoption. *See* Sautter, *Reincorporation Trap*, *supra* note 1 (quoting ExxonMobil’s proxy commitment that it is not adopting provisions that weaken shareholder rights; “To date, no corporations have adopted SB 1057”; listing Tesla, Southwest Airlines, Dillard’s, CenterPoint Energy, HeartSciences, and Legacy Housing Corporation as companies that have adopted § 21.552—while omitting ExxonMobil). For the Delaware comparator on derivative-standing thresholds, *see infra* note 21.

and elimination of perpetual fair-price conditions—each move in shareholders’ favor.¹⁹

The baseline matters. The regime ExxonMobil shareholders live under today imposes a \$250,000 security-for-expenses bond and permits fee-shifting in derivative litigation.²⁰ Delaware presents a different constraint. It imposes no ownership threshold for derivative standing, but offers no settled path for adopting one, leaving corporations that attempt such provisions exposed to legal uncertainty.²¹ Texas courts have already enforced the elected threshold in a contested setting: in *Gusinsky v. Reynolds*, the Northern District of Texas dismissed with prejudice a derivative complaint against Southwest Airlines’ directors under the company’s bylaw-adopted 3% ownership threshold, confirming that Texas’s opt-in architecture operates as written when a corporation elects it.²² The critique’s framework cannot

¹⁹Under New Jersey law, a shareholder exceeding 10% ownership becomes an “interested stockholder” subject to a five-year moratorium and ongoing fair-price constraints. See N.J. Stat. Ann. § §§ 14A:10A-3(j), 14A:10A-4, 14A:10A-5 (West 2024). Under Texas law, the comparable threshold is 20%, with a shorter moratorium and no perpetual fair-price condition. See Tex. Bus. Orgs. Code Ann. § § 21.602(a)(1), § 21.606 (West 2025). Delaware similarly imposes a 15% threshold. See Del. Code Ann. tit. 8 § § 203(c)(5) (2024). The shift from New Jersey to Texas therefore reduces or maintains shareholder flexibility at every ownership level. See also Roberta Romano, *Competition for Corporate Charters and the Lesson of Takeover Statutes*, 61 Fordham L. Rev. 843 (1993).

²⁰N.J. Stat. Ann. § § 14A:3-6.8 (West 2024) (security-for-expenses bond requirement); N.J. Stat. Ann. § § 14A:3-6.7(2) (West 2024) (authorizing fee-shifting for proceedings brought without reasonable cause). These provisions effectively impose a substantial economic barrier on derivative plaintiffs below a 5% ownership threshold, without any corresponding statutory requirement for facilitating shareholder coordination.

²¹Del. Code Ann. tit. 8 § § 327 (2024) (requiring contemporaneous ownership but no percentage threshold). Whether corporations may adopt ownership thresholds by bylaw remains unsettled. See ArcBest Corp., Definitive Proxy Statement (Form DEF 14A) at 91 (Mar. 13, 2026), [SEC EDGAR](#) (noting lack of judicial guidance). Texas, by contrast, expressly authorizes thresholds up to 3% and has already seen judicial enforcement. See Tex. Bus. Orgs. Code Ann. § § 21.552 (West 2025).

²²*Gusinsky v. Reynolds*, No. 3:25-cv-01816-K, slip op. at 8–11 (N.D. Tex. Mar. 17, 2026) (Kinkeade, J.) (dismissing with prejudice derivative claims against Southwest Airlines directors for failure to satisfy the company’s bylaw-adopted 3% derivative-standing threshold authorized by Tex. Bus. Orgs. Code Ann. § § 21.552(a)(3) (West 2025)); see also Gibson, Dunn & Crutcher LLP, *Federal Court Enforces Texas SB 29 To Bar Derivative Suits By De Minimis Shareholder* (Mar. 20, 2026), [Gibson Dunn Client Alert](#); Jones Day, *Federal Court Upholds Texas’s Stock Ownership Threshold for Shareholder Derivative Claims* (Mar. 30, 2026), [Jones Day Client Alert](#); Shane Goodwin, *The Lone Star Docket: How the Texas Business Court Will Shape the Corporate Landscape*, SMU Cox Sch. of Bus. Research Paper No. 24-14 (Nov. 18, 2024), [SSRN](#) [hereinafter Goodwin, *Lone Star Docket*]; Shane Goodwin, *How Texas Is Rewriting the Rules of Corporate Domiciles*, CLS Blue Sky Blog (May 29, 2025), [CLS Blue Sky Blog](#).

assess Texas in isolation from the alternatives shareholders actually face.²³

The Market Did Not Price a Governance Discount

If the Texas redomiciliation had stripped shareholders of rights on the scale the critique asserts, efficient capital markets should have priced that loss at or near the announcement.²⁴ It did not. On the day ExxonMobil filed its preliminary proxy announcing the redomiciliation, ExxonMobil’s stock return differed from the return predicted by a benchmark of energy-sector peers by roughly two-hundredths of one percent—effectively zero.²⁵ Against Chevron—the cleanest single-firm comparator—ExxonMobil’s announcement-day return was within four basis points. The two stocks moved in the same direction on ten of the eleven trading days bracketing the announcement.²⁶ The result is not a single lucky estimate. Eighteen specifications—three benchmarks run across six event windows from a single-day reaction out to an eleven-day window—produce the same answer. After standard statistical adjustment for running multiple tests, none is significant. None is even direction-

²³See generally Shane Goodwin, *The Texas Two-Step: Rewriting the Rules in the Battle for Corporate Domicile*, 53 Sec. Reg. L.J., No. 4, art. 1 (Winter 2025), SSRN [hereinafter Goodwin, *Texas Two-Step*]. The Texas corporate governance architecture under SB 29 combines opt-in provisions with a codified business judgment rule. See Tex. Bus. Orgs. Code Ann. § § 21.419 (West 2025). The framework must therefore be evaluated comparatively—against New Jersey’s litigation barriers and Delaware’s legal uncertainty—not in isolation. Cf. Goodwin, *Lone Star Docket*, *supra* note 22.

²⁴The semi-strong efficient-market hypothesis holds that publicly available information is incorporated into stock prices at or near the time of disclosure. See Eugene F. Fama, *Efficient Capital Markets: A Review of Theory and Empirical Work*, 25 J. Fin. 383, 388 (1970); Eugene F. Fama, *Efficient Capital Markets: II*, 46 J. Fin. 1575, 1576 (1991); A. Craig MacKinlay, *Event Studies in Economics and Finance*, 35 J. Econ. Literature 13 (1997); Sanjai Bhagat & Roberta Romano, *Event Studies and the Law: Part II—Empirical Studies of Corporate Law*, 4 Am. L. & Econ. Rev. 380 (2002).

²⁵Day-0 synthetic-control gap = +0.021% (ExxonMobil return minus the return of a synthetic ExxonMobil constructed from an energy-sector donor pool). Full estimation detail, donor-pool construction, and alternative benchmarks in fn. 27.

²⁶ExxonMobil Day 0 raw return -1.54%; Chevron -1.66%; raw differential +0.13 pp; market-model-adjusted differential +0.04 pp; standard error 0.85 pp; $t = 0.05$; $p = 0.958$; wild bootstrap $p = 0.967$. Two-one-sided-tests (TOST) equivalence: ± 1.5 pp ($p = 0.044$), ± 2 pp ($p = 0.011$), ± 3 pp ($p = 0.0003$). Co-movement: same-direction close on 10 of 11 days in $[-5, +5]$ (binomial $p = 0.012$). See Donald J. Schuirmann, *A Comparison of the Two One-Sided Tests Procedure and the Power Approach for Assessing the Equivalence of Average Bioavailability*, 15 J. Pharmacokinetics & Biopharm. 657 (1987).

ally consistent with a governance discount.²⁷ Two placebo tests reach the same conclusion from opposite directions. First, when ExxonMobil’s announcement-day gap is compared against gaps on a hundred randomly chosen pre-announcement days drawn from the 220 trading days before the real announcement, the actual gap is smaller than 92% of those random gaps. Second, when the same test is run across the 21 energy-sector peers, ExxonMobil has the second-smallest announcement-day gap in the pool. A real governance shock would

²⁷**Event date:** March 10, 2026 (Exxon Mobil Corp., Preliminary Proxy Statement (Form PRE 14A), Accession No. [0001193125-26-098908](#)). **Estimation window:** 240 trading days ending $T-1$. **Donor pool:** 10-firm energy-sector donor pool, weights derived from a pre-registered nested optimization on a 21-firm peer set (Chevron 41.7%, Diamondback 14.7%, EOG 13.5%, Schlumberger 7.8%, Williams 5.6%, Baker Hughes 4.5%, Occidental 3.4%, ConocoPhillips 2.2%, Marathon Petroleum (MPC) 1.7%, Phillips 66 1.7%); the 21-firm broader peer set is used separately as the cross-firm placebo universe in fn. 28. The pre-registered donor pool originally specified Marathon Oil (MRO); MRO was acquired by ConocoPhillips with the merger closing November 22, 2024, and the ticker ceased trading prior to the event-window estimation period (240 trading days ending March 9, 2026). The replication kit substitutes Marathon Petroleum (MPC) as the closest available proxy. A robustness sensitivity dropping the Marathon slot entirely and renormalizing the remaining 9 weights produces a Day-0 abnormal return of -0.003% ($\Delta = 2.4$ bp from the published 10-firm result of $+0.021\%$); the substantive null finding is invariant to Marathon handling. **Day-0 results:** synthetic control $+0.021\%$; matched-pair Chevron $+0.04$ pp; oil-augmented two-factor -2.19% (Patell $p = 0.049$; Corrado rank $p = 0.107$; wild bootstrap $p = 0.057$). **Oil-factor specification.** A nested F -test confirms the single-factor market model is misspecified for ExxonMobil during this period: adding the Brent oil factor (BNO) raises R^2 from 0.22 to 0.55 ($F(1, 217) = 158.5$, $p < 10^{-16}$). The oil-augmented model is the correctly-specified benchmark; the SPY-only model is retained as a misspecification diagnostic. **Multi-window battery:** six windows ($[0]$, $[-1, +1]$, $[-1, +5]$, $[-2, +5]$, $[-5, +5]$, $[0, +1]$) under the three correctly-specified benchmarks = 18 specifications. Point estimates over $[-1, +5]$: $+1.33\%$ (synthetic), $+1.06\%$ (matched-pair), -1.05% (oil-augmented). All 18 specifications return bootstrap $p > 0.10$ pre-correction; after Benjamini–Hochberg adjustment across the 18-test family all classify NULL (BH-adjusted minimum $p = 1.0$). The complementary in-time placebo across three windows yields $p = 0.92$ at $[0]$, $p = 0.82$ at $[-1, +1]$, and $p = 0.30$ at $[-1, +5]$ — confirming the null through a second, orthogonal identification path. See Yoav Benjamini & Yoel Hochberg, *Controlling the False Discovery Rate*, 57 J. Royal Stat. Soc. B 289 (1995). **Robustness:** stable across 60/240/300-day estimation windows; no leave-one-out donor exclusion moves Day-0 AR by more than ± 0.26 pp; wild-bootstrap $p = 0.967$ (10,000 draws); GARCH(1,1) $z = -1.13$; HC3 $p = 0.281$; pre-trend $F = 0.052$. **Minimum detectable effects** at 80% power: market model $\pm 4.01\%$, oil-augmented $\pm 3.11\%$, matched-pair $\pm 2.38\%$. Full methodology, donor weights, replication code, and result CSVs on file with the SMU Corporate Governance Initiative; replication package available on request.

sit far out in the tail of either distribution. This one sits in the middle.²⁸ What can be said affirmatively—not just that no discount was detected, but that no discount of meaningful size could have occurred without being detected. The data rule out a governance discount of 2% or more with roughly 99.6% credibility. A discount of 3% or more has a probability below one-tenth of one percent.²⁹ This is a bounded null, not an unknown. The market was given the information the critique says should have mattered. It priced in nothing of the kind. Figure 1 summarizes the market evidence: ExxonMobil moved like its peers, the announcement-day gap was ordinary, and large negative governance effects are ruled out by the data.

Conclusion

“By design” is a structural claim, not an intent claim. The Leopard Paradigm describes how governance systems preserve substantive power through formal adaptation—a mechanism, not a motive.³⁰ The question, then, is not what ExxonMobil intended, but whether the redomiciliation shifts the structural allocation of governance power against

²⁸**Cross-firm placebo** (across 22 donor units): ExxonMobil’s $|AR|$ is second-smallest; empirical two-sided $p = 0.955$. Coterra Energy (CTRA), one of the 21 peer firms in this published cross-firm placebo universe, was acquired by Devon Energy with the merger announced February 2, 2026 and closing May 7, 2026; the ticker ceased trading on the NYSE following the close. A prospective re-estimation excluding CTRA from the placebo universe (21 donor units) yields a qualitatively identical null finding with ExxonMobil’s $|AR|$ remaining inside the lower decile of the placebo distribution. *See* Devon Energy Corp. & Coterra Energy Inc., Form 425 (Feb. 2, 2026); Devon Energy Corp., Press Release, *Devon Energy and Coterra Energy Complete Merger* (May 7, 2026). **In-time placebo** (100 pseudo-event dates uniformly drawn from the 220-day pre-period): observed Day-0 gap +0.021% exceeds only 8% of placebo gaps in absolute value; $p = 0.92$. Post/pre RMSPE ratio = 0.88, well below the ADH rejection threshold of 2.0. *See* Alberto Abadie, Alexis Diamond & Jens Hainmueller, *Synthetic Control Methods for Comparative Case Studies*, 105 J. Am. Stat. Ass’n 493 (2010); Alberto Abadie, *Using Synthetic Controls: Feasibility, Data Requirements, and Methodological Aspects*, 59 J. Econ. Literature 391, 407–09 (2021).

²⁹Normal-normal conjugate posterior with flat prior centered at zero; pre-period synthetic-control gap distribution ($N = 220$ trading days) yields $\sigma_{\text{pre}} = 0.77\%$; observed Day-0 gap +0.021%. Posterior mean +0.02%; 95% credible interval $[-1.48\%, +1.53\%]$. $P(\text{effect} < -1\%) = 0.092$; $P(\text{effect} < -2\%) = 0.004$; $P(\text{effect} < -3\%) < 0.001$. The Bayesian credible interval and the frequentist TOST equivalence bound at ± 2 pp (fn. 26) are mutually consistent. *See* Andrew Gelman et al., *Bayesian Data Analysis* ch. 2 (3d ed. 2013). A companion universe-level paper applies a five-block robustness layer to a five-firm SB 29-era completed-mover cohort against a 2,389-firm CRSP control universe; all twenty-one pooled and cohort-split specifications classify NULL after BH correction. *See* Shane Goodwin, *DExit / Texas SB 29 Robustness Layer Results Memo*, v1.4 §§ 3–5 (SMU Corp. Governance Initiative, Apr. 27, 2026) (on file with the author; available on request).

³⁰*See* Gramitto Ricci & Sautter, *Disenfranchisement*, *supra* note 1 (opening with Lampedusa’s “[e]verything must change to keep everything the same” and framing post-2024 governance changes as “paradigmatic responses to perceived empowerment of the everyday person in corporate governance”).

shareholders. The record answers that question directly. *The proxy* disclosed which Delaware provisions ExxonMobil was declining and bound the company to five parallel commitments across three SEC filings under federal antifraud liability. *The statute* is built around mandatory aggregation and coalition access. *The board* was reconstituted over management’s opposition — activist nominees on key committees, a former State Street CEO chairing independence — at a company that fields more shareholder proposals than almost any peer. *The comparative record* shows the critics’ preferred alternatives impose their own barriers without opt-in architecture or the coalition math that makes access real. *The governance record* shows several provisions that automatically run in favor of shareholders, not management. And if the move had stripped shareholder rights in a value-relevant way, *the market* should have reacted. It did not. The fine print is not the problem. The selective reading of it is.

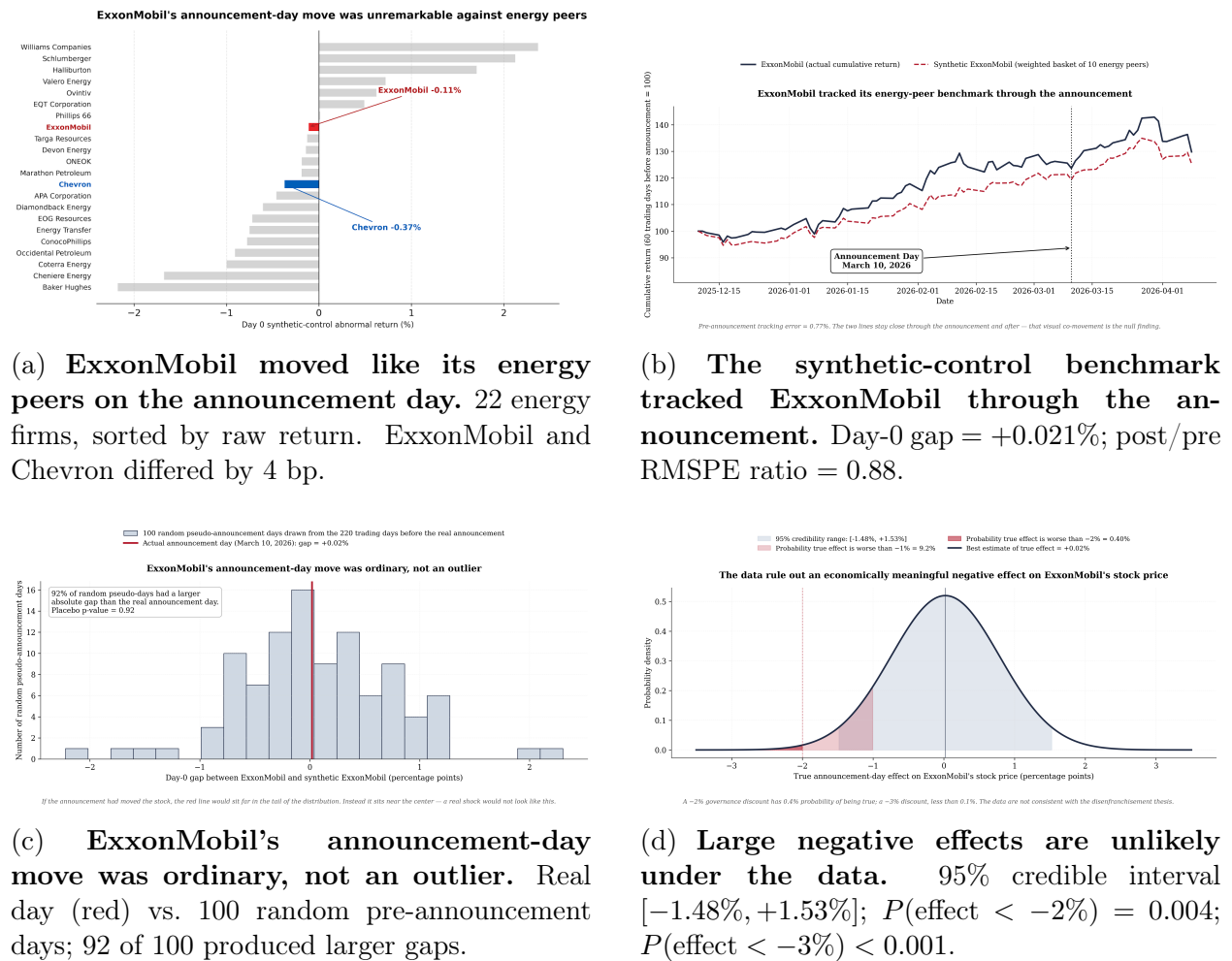


Figure 1: The market evidence: four lenses, one conclusion. ExxonMobil moved like its peers, the announcement-day gap was ordinary, and large negative governance effects are ruled out by the data. *Source:* Author’s calculations from S&P Capital IQ daily adjusted closing prices (IQ CLOSEPRICE ADJ feed); replication kit on file with the SMU Corporate Governance Initiative; methodology in fn. 27, fn. 28, and fn. 29.