

## Marathon Oil Company Excess Benefit Plan — Payment

The Internal Revenue Code places limits on the amount of the benefit that can be accrued under qualified retirement plans such as the Retirement Plan and the Thrift Plan. In order to compensate employees for the loss of benefits that cannot be paid from the qualified plans, Marathon Oil established the Marathon Oil Company Excess Benefit Plan (“Excess Plan”). Benefits that exceed those permitted under qualified plans because of limits in the Internal Revenue Code will be paid from the Excess Plan. This is accomplished by unfunded payments directly from Marathon Oil; such payments are a general obligation of the Company.

The following section is regarding the collection of your Excess Plan benefit. There are no options or decision points for you regarding the collection of your Excess Plan benefit. Marathon Oil disburses the benefit in the form of a lump sum. The payment will be disbursed in the same manner as your Marathon Oil paycheck.

Your Excess Plan benefit will generally be processed approximately 60 days after your separation date. However, if you are designated as a Specified Employee (under Code § 409A), you must wait six months before you receive payment of a portion of your Excess Plan benefit.

Disbursement of your Excess Plan benefit has the following tax consequences:

### Federal Income Tax

- Your Excess Plan benefit is taxed as ordinary income in the year the payment is made.
- A minimum of 25% federal tax withholding will apply to your Excess Plan benefit payment.
- Payments are reported on your Form W-2.

### State Income Tax

- The applicable state withholding for your Excess Plan benefit will be deducted.

### Social Security and Medicare Taxes

- Your Excess Plan benefit calculated under the Retirement Plan legacy formula is subject to Social Security and Medicare taxes in the year of your separation from service. In the event the payment of your Excess Plan benefit calculated under the Retirement Plan legacy formula is made in the following year, a withdrawal from your Excess Plan benefit will be processed in the year of your separation from service to meet your Social Security and Medicare tax obligations on this portion of your Excess Plan benefit.
- Your Excess Plan benefit calculated under the Retirement Plan cash balance formula or calculated because you reached a tax limit in the Thrift Plan, if applicable, is subject to Social Security and Medicare taxes in the year accrued. You have paid Social Security and Medicare taxes on these portions of your benefit each year, and therefore Social Security and Medicare taxes will not be deducted again.

Contact the Marathon Oil Benefits Department at 1-855-652-3067 if you have any additional questions regarding the distribution of your Excess Plan benefit.