

# INTERNATIONAL RELOCATION ASSISTANCE PLAN

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## GENERAL

### PURPOSE

The purpose of this Plan is to enable Marathon Oil Company (hereinafter referred to as “The Company”) to relocate new and transferred employees internationally as efficiently as possible and to minimize the cost and inconvenience to such employees.

### TYPES OF EMPLOYEE RELOCATIONS

This Plan provides separate provisions for the following types of relocating employees:

- New Employees
- Transferred Employees, *Expatriation & Country-to-Country*
- Transferred Employees, *Immediate Localization to U.S. Payroll*
- Localization to U.S. Payroll after Assignment in the U.S.
- Transferred Employees, *Repatriation*
  - To Return to a New Position
  - Voluntary Termination
  - Involuntary Termination – Redundancy
  - Involuntary Termination – With Cause
  - Retirement

### ADDITIONAL RELOCATION INFORMATION

- Global Relocation Benefit Provisions
- Country-of-Payroll Specific Benefit Provisions
- Other Provisions
- Taxes

### ELIGIBLE EMPLOYEES

Employee must be employed on a Regular Full-Time or Part-Time basis, including new employees hired for Regular Full-Time or Part-Time employment.

If two or more household members are newly hired or transferred by the Company and are relocated simultaneously, the move is regarded as a single relocation and provisions apply only once. The Exception & Incidental Allowance, if any, will be based on the salary of the highest-paid employee.

Certain relocation expenses for family members (e.g. spouse, domestic partner, dependents) may also be reimbursed, provided they reside with the employee in the permanent residence at the departure location.

### REPAYMENT AGREEMENT

The employee relocating overseas for a long-term international assignment or localization must sign an Employee Reimbursement Agreement which stipulates that should the employee terminate employment voluntarily or be involuntarily terminated for cause after receiving relocation benefits, the employee will be

required to repay relocation expenses at a rate of 8.33% for each calendar month of service not completed during the 12 calendar months counting from the first of the month the relocation is effective. Repayment is not required if termination of service results from a bona fide health reason of the employee or a household member or if the employee is involuntarily terminated due to redundancy. Repayment obligations will be net any reimbursements due the employee for their repatriation.

Retention of any payments made under this Plan is expressly conditioned on the employee’s continued employment with the Company. It is understood that nothing in this Plan guarantees that the Company will employ the employee for any specified period of time.

### THIRD PARTY RELOCATION COMPANY

The Company has contracted with a third party relocation company (hereinafter referred to as “Relocation Company”) to assist with the Marathon Oil Company International Relocation Assistance Plan.

## BENEFITS PROVIDED (See Global Relocation Benefit Provisions Section for Details)

	New Employees	Transferred Employees, Expatriation & Country-to- Country	Transferred Employees, Immediate Localization to U.S. Payroll	Localization to U.S. Payroll after Assignment in the U.S.	Transferred Employees, <i>Repatriation</i>				
					To Return to New Position	Voluntary Termination**	Involuntary Termination – Redundancy**	Involuntary Termination - With Cause**	Retirement**
<b>Advance Trip Expenses</b>	X	X	X						
<b>Movement of Household Goods</b>	X	X	X	X	X	X	X	X	X
<b>Storage of Household Goods</b>	X	X	X	X	X		X		X
<b>Final Trip Expenses</b>	X	X	X		X	X	X	X	X
<b>Temporary Living Expenses</b>	X	X	X	X	X		X		X
<b>Automobile Rental</b>	X	X	X						
<b>Exception &amp; Incidental Allowance</b>	X*	X*	X*	X*	X*		X*		X*
<b>Home Sale Assistance</b>	X*	X*	X*	X*	X*				
<b>Home Purchase Assistance</b>	X*	X*	X*	X*	X*		X*		X*
<b>Lease Cancellation</b>	X	X	X	X	X		X		X
<b>Automobile Sale Allowance</b>	X*	X*	X*		X*		X*		X*
<b>Spousal Employment Assistance</b>	X	X	X						
<b>Allowed Time Off</b>	X	X	X	X	X				
*Country-of-Payroll Specific Benefit Provisions.									
**Benefits do not apply to employees who have obtained a Permanent Residence Visa (PRV), a U.S. Green Card, or other status that allows the employee to continue legally residing in the country of assignment.									

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## GLOBAL RELOCATION BENEFIT PROVISIONS

### ADVANCE TRIP EXPENSES

Employees who have accepted an international assignment are eligible for an advance trip. Reimbursement will be provided for business-class air travel and lodging for up to seven nights, excluding travel time, for both the employee and accompanying spouse or qualified domestic partner. If the employee is required to make a business trip in advance of taking up the assignment, if possible, it should be arranged to coincide with the spouse or qualified domestic partner's advance trip.

### MOVEMENT OF HOUSEHOLD GOODS

All costs of packing, shipping, insurance, custom duties, and unpacking of an employee's necessary household goods are paid by the Company. Household goods are shipped by surface and air. Location specific container size information will be communicated to the employee by the Relocation Company.

#### **Excess Baggage**

The Company will not reimburse any excess baggage charges.

#### **Exclusions**

Necessary household goods and personal effects do not include the following items; and although the employee may elect to have them shipped, any costs or responsibility in connection with the shipping will be at the employee's expense:

- Pets
- Automobiles and automotive equipment
- Boats and motors
- Articles for private enterprise or resale

**Limitations:** *The shipment of household goods for employees who terminate their employment voluntary or who are involuntarily terminated for cause while on international assignment, will be shipped only to the nearest home country port of entry within six months from the effective date of termination. If the employee has not elected to have household goods shipped to the home country within six months from the effective date of termination, the Company is relieved of any further obligation.*

### STORAGE OF HOUSEHOLD GOODS

Storage and insurance charges will be paid for the duration of the international assignment, plus up to 90 days upon repatriation.

**Limitations:** *Employees on married unaccompanied status or those with a signed H&U Waiver on file are ineligible for storage of household goods.*

### FINAL TRIP EXPENSES

Business class air travel and lodging expenses for the transferred employee and accompanying household member(s) en route to the new location will be reimbursed.

If other travel arrangements are made (e.g. extra personal stopovers en route to the assignment location), the employee is responsible for the additional expenses incurred.

**Limitations:** Employees who terminate their employment voluntary or who are involuntarily terminated for cause while on assignment, are limited to economy class air transportation for the employee and dependent(s) resident at the international assignment location to the employee's point of origin or point of destination, whichever is less. No reimbursement is provided for expenses incurred en route.

No equivalent fare is paid if the employee and dependents resident at the overseas assignment location do not wish to depart from the overseas assignment location.

## TEMPORARY LIVING EXPENSES

Employees are eligible for up to a combined 60 days of temporary living expenses between the old location while household goods are packed and at the new location while goods are in transit and/or while the employee searches for accommodations.

**Limitations:** Employees on married unaccompanied status or those with a signed H&U Waiver on file are ineligible for temporary living in the home location.

## AUTOMOBILE RENTAL

Automobile rental is available for up to a combined 30 days in the country of departure, following the sale of the personal vehicle(s), and the host location, until the employee is able to acquire a car locally. The employee will be reimbursed for the rental cost, but not for fuel.

**Limitations:** Employees on married unaccompanied status are ineligible for car rental reimbursement in the home location. No rental car expenses are provided in E.G.

## EXCEPTION & INCIDENTAL ALLOWANCE

See **Country-of-Payroll Specific Benefit Provisions** section for details.

## HOME SALE ASSISTANCE

See **Country-of-Payroll Specific Benefit Provisions** section for details.

## HOME PURCHASE ASSISTANCE

See **Country-of-Payroll Specific Benefit Provisions** section for details.

## LEASE CANCELLATION

If employee was a renter at the departure location, the Company will reimburse the relocating employee for a maximum of two month's rent in connection with a lease termination.

This maximum includes any forfeiture of a security deposit directly attributable to terminating a lease agreement as a result of a transfer.

The Company will not assume any responsibility for damages due to normal wear and tear of the property. The employee must repay the amount of the full deposit to the Company in cases where the Company provided the employee with the original deposit as part of expatriate benefits.

## AUTOMOBILE SALE ALLOWANCE

See **Country-of-Payroll Specific Benefit Provisions** section for details.

## SPOUSAL EMPLOYMENT ASSISTANCE

The Company has contracted with a national career company to provide the spouse or qualified domestic partner of a relocating employee with the necessary tools, techniques and materials needed to conduct a successful job search at the destination location.

## ALLOWED TIME OFF

Affected employees will be allowed a maximum of 5 days of time off from work with pay to assist in the completion of a qualifying relocation.

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## COUNTRY-OF-PAYROLL SPECIFIC BENEFIT PROVISIONS

### U.S. EMPLOYEES

#### EXCEPTION & INCIDENTAL ALLOWANCE

The Company will pay the transferred employee a lump-sum disbursement of 1x their monthly base pay, up to a maximum of \$10,000. This allowance is to cover all expenses incurred by the employee and household members which are not specifically covered under other provisions of the Plan. Documentation of actual expenses is not required. Examples of some, but not all, of these expenses are:

- Driver's licenses
- Utility disconnect/ hook-up charges
- Tips to movers
- Additional meal expenses due to travel or living in temporary accommodations
- Pet transportation
- Home site expenses due to travel or living in temporary accommodations, including child and/or pet care, house sitter, lawn maintenance and/or snow removal
- Additional days in temporary housing
- Any other expense not specifically covered under another provision of the Plan

**Limitations:** Upon repatriation, employees on married unaccompanied status are ineligible for the Exception & Incidental Allowance. Those with a signed H&U Waiver on file are limited to a \$3,000 Exception & Incidental Allowance.

#### HOME SALE ASSISTANCE

All employees on an international assignment may elect to sell their home upon transfer or at any time during their assignment prior to notification of repatriation.

Employees repatriating to return to a new position in a location other than their home location may be eligible for home sale benefits.

**Limitations:** Employees with a signed H&U Waiver on file are ineligible for Home Sale Assistance upon expatriation. Upon repatriation, if the employee purchased a home overseas while on assignment, the Company will not provide assistance nor assume any responsibility in connection with the disposal of the property at the conclusion of the employee's international assignment. For an employee on married unaccompanied status, since the employee will be repatriated to the location of their family home, no home sale assistance will apply. If the employee retained ownership of their home and return to that location, the employee will not be entitled to any of the Home Sale Assistance.

### ***Eligible Properties***

In order to qualify for home sale benefits, the employee must be a homeowner in their departure location. The Primary Home is defined as the residence where the employee is physically residing; the one used for voter registration and tax reporting.

To qualify for the Home Sale Program, the home must be:

- The employee's primary residence; title must be in the employee's name (or held jointly with their spouse/ domestic partner) when the relocation is authorized
- Zoned residential
- A one or two family residence
- Structurally sound and not have excessive levels of radon, asbestos, lead paint or other toxic substances, including urea formaldehyde, polybutylene plumbing/piping, and synthetic stucco (External Insulated Finish Systems)
- A mobile or modular home on a permanent foundation on land which the employee owns. The wheels and axles must have been removed from the mobile home to qualify as permanent
- Able to qualify for mortgage financing

Residences that are **not** eligible for the Home Sale Program include, but are not limited to:

- All co-op apartment units
- Condominiums having restrictive by-laws which prevent a sale to the Company
- Mobile homes not on a permanent foundation, with wheels and axles attached, and/or located on leased ground
- Income or investment properties
- Vacant land
- Any home with defects, which may affect the marketability, insurability, or ability to secure a mortgage (defects include, but are not limited to, synthetic stucco, LP siding and septic system defects)
- Any home in which any structural additions, changes, or repairs have been made without all necessary permits and government approvals being obtained
- Any home in which a part is used or zoned for non-residential purposes
- Any home built with hazardous materials or on a hazardous site/location (e.g., radon gas, asbestos, urea formaldehyde, buried oil tanks improperly contained)
- Any home with excess acreage for the area
- Any home valued in excess of \$1,000,000 without the Company's approval
- Any home which all, or a portion of, is incomplete or would require excessive repairs
- Any home which could be rendered unmarketable as a result of the employee misrepresenting information about defects

Home Sale eligibility is subject to title searches and inspections, including, but not limited to: moisture, septic tank and drain field inspection, water availability, water quality test, radon and other toxic substance inspection, structural and pest inspections. In addition, if the employee is uncertain whether necessary permits/approvals were obtained for work done before the employee purchased the property, the Relocation Company will request confirmation through the listing broker. If the Company, in its sole discretion, determines through professional consultation that a problem exists in any of the aforementioned areas or any other areas, the Company reserves

the right to exclude the employee's home from the Home Sale Assistance Program. Primary Homes that are not eligible for home sale assistance may qualify for direct reimbursement of reasonable and actual home sale costs, as outlined in the section *Ineligible Properties*.

The sale of any other properties the employee may own, whether for recreational or investment purposes, is considered the responsibility of the employee and will not be covered by the Plan.

#### ***Timing of Home Sale***

Employees are permitted to select the date, within six months of their transfer date, to begin the home sale process. To be eligible for reimbursement of home selling expenses, all such expenses must be incurred within one year of the employee's transfer date.

#### ***Marketing Assistance Program***

Employees are expected to aggressively market their home in an attempt to arrange a sale. The Company has contracted with the Relocation Company to provide professional guidance to the employee with marketing their home.

The employee will choose two qualified brokers, one of which must be selected from a list supplied by the Relocation Company. Each broker will supply the employee with a Broker Market Analysis (BMA), which will contain a suggested listing price and anticipated sales price. The employee will select which broker to list with. The actual listing price should not exceed the average of the suggested listing prices on the BMAs by 5% (or 10% of the average anticipated sales prices on the BMAs). For the next 60 days, the Relocation Company will work with the employee and the real estate agent to try to sell the home.

#### ***Guaranteed Offer***

If after listing the home for 60 days, the home has not been sold, the Relocation Company will offer to purchase the employee's property at its Most Probable Sales Price. Most Probable Sales Price will be determined by the average of two independent appraisals. The employee will choose the appraisers from an approved list supplied by the Relocation Company. If the two appraisals are more than 5% apart, a third appraisal will be obtained. In the case of a third appraisal, the offer to purchase will be the greater of a.) the average of all three, or b.) the average of the two closest of the three appraisals.

The Relocation Company may disregard an appraisal with a valuation it considers to be unsupported, provided that another appraiser replaces the disregarded appraisal. Employees can secure copies of the appraisals from the Relocation Company.

Upon notification of the Relocation Company's offer to purchase, the employee will have 30 calendar days to accept. If the employee accepts the Relocation Company's offer, the Relocation Company will take steps to acquire the property. The employee may continue to occupy the home up to the acquisition date. Once acquired, the Relocation Company will assume responsibility for the mortgage payments, utilities, insurance, and the maintenance of the property.

If it is necessary, the employee may occupy the home for a period of time after acquisition, not to exceed 30 days. During this timeframe, the employee remains responsible for the mortgage payments, utilities, insurance, and the maintenance of the property. The employee must permit the real estate broker, acting on behalf of the Relocation Company, to show the home to prospective buyers. In addition, access must be granted to any additional parties relevant to the purchase and sale of the property, including but not limited to the buyer's agent, inspector(s), and appraiser(s).

#### ***Amended Value Sale***

If the employee secures a sale after initiating the Marketing Assistance Program, whether before or after the Guaranteed Offer, the employee MUST NOT indicate acceptance, take any money or sign documents, which would constitute acceptance of the offer until reviewed by the Relocation Company. The Relocation Company will use its best efforts to determine that 1) the offer is in good faith, and (2) all contingencies and proposed

terms between the employee and the buyer are acceptable. If these conditions are met, the Relocation Company will amend their offer to equal the net value of the third party offer price.

If the employee accepts the Relocation Company's offer, the employee will need to vacate the home in accordance with the terms of the sales contract with the buyer. The employee will continue to be responsible for all expenses associated with the home (e.g. real estate taxes, mortgage payments, maintenance, etc.) up to the date of closing. After vacating the residence, the employee will receive their equity, which will be equal to the difference between the balance of the mortgage plus prorated costs (e.g. taxes, mortgage interest, etc.) and the Relocation Company's offer.

### ***Employee Declination***

If the employee declines to participate in the Program or does not accept the Relocation Company's offer, the employee assumes responsibility for the sale of the home.

## **HOME SELLING COSTS**

If the relocating employee accepts the Relocation Company's offer or secures an Amended Value sale, reasonable and customary home selling costs, which normally accrue to the seller, will be paid by the Relocation Company.

The following home selling expenses are covered by the Plan:

- Reasonable and customary brokerage fees
- Abstract or title insurance
- Mortgage prepayment penalty
- Revenue stamps or transfer fees
- Recording fees
- Other costs which normally accrue to the seller

The following home selling expenses are **not** covered by the Plan:

- Capital improvements or repairs required to sell the home
- Home warranty protection plan
- FHA, VA, and conventional loan origination fees, loan discounts, and buy down points (These items are the purchaser's obligation to pay)
- Any closing costs which the purchaser normally pays that the employee, through negotiation, agrees to pay

### ***Employee Sells Home Directly***

If the relocating employee sells the home directly after declining participation in the Relocation Company's home purchase program or rejecting the Relocation Company's offer, the Company will reimburse the employee for reasonable and customary home selling costs. Selling costs must still be incurred within one year of the employee's transfer date to be eligible for reimbursement. Taxes associated with this benefit will not be covered by the Company.

### ***Ineligible Properties***

If the relocating employee's home is ineligible for the Guaranteed Offer, upon selling the home directly, the Company will reimburse the employee for reasonable and customary home selling costs. Selling costs must still be incurred within one year of the employee's transfer date to be eligible for reimbursement.

If the primary residence of a transferred employee is a mobile home that does not qualify as an eligible residence, the Plan will provide the employee with a \$3,000 allowance to cover any costs incurred in selling the mobile home. No further selling costs will be reimbursed.

## HOME SALE INCENTIVE

A bonus equal to 3% of the negotiated sales price up to a maximum of \$10,000 will be paid on any employee-generated sale approved by the Relocation Company. Eligibility for the home sale incentive will expire one year after the employee's transfer date. Taxes associated with this benefit will not be covered by the Company.

Those properties ineligible for the home sale program are ineligible for the home sale incentive. Employees who decline to participate in the program or do not accept the Relocation Company's offer are ineligible for the home sale incentive.

### ***Sale Within 97% of Guaranteed Offer***

In those instances where an employee secures a bona fide offer for at least 97% of the Guaranteed Offer prior to the expiration of the Guaranteed Offer period, the employee will be paid equity on the Guaranteed Offer amount plus a home sale bonus equal to 3% of the Guaranteed Offer amount, up to a maximum of \$10,000.

## EQUITY ADVANCE

Provided the Guaranteed Offer or Amended Value Sales price has been established, the relocating employee may request an equity advance from the Relocation Company in order to make a down payment on a home. The amount of the advance will in no case exceed 90% the employee's equity in the home or the amount necessary to cover the down payment, whichever is less.

## LOSS-ON-SALE

Relocating employees who participate in the Relocation Company's Marketing Assistance Program and sell their property at an actual sales price that is within 90% of the price set by either the Relocation Company's Marketing Assistance Program or the Guaranteed Offer, may be eligible for loss on sale assistance in accordance with the following provisions.

Loss-on-sale is the documented purchase price less the sales price. The sales price will consist of the actual sales price or the Relocation Company's offer, whichever is greater.

Employees incurring losses will be reimbursed based on the full amount derived from the loss-on-sale formula below.

#### Loss-on-Sale Formula:

- First \$60,000 loss – 90%
- Remaining loss – 75%
- Not to exceed \$100,000

Eligibility for loss-on-sale assistance expires one year after the employee's transfer date.

***Limitation:*** *New Employees are ineligible for the Loss-on-Sale benefit.*

## DUPLICATE HOUSING EXPENSES

The Company will reimburse the relocating employee for certain duplicate housing expenses incurred on an unoccupied residence (departure or destination). If the employee secures an Amended Value Sale or accepts the Guaranteed Offer, duplicate expenses will be reimbursed until title to the property is transferred. If the employee chooses to rent their current home, reimbursement of duplicate expenses would terminate upon rental of the property. These expenses will be limited to real estate taxes, mortgage interest, homeowner's insurance, and necessary utilities.

Duplicate expenses, for the employee who participates in the Marketing Assistance Program, will commence no earlier than the date the home is priced and placed on the market for sale or, in the case of an employee who does not participate in the Marketing Assistance Program, for the 60-day period beginning on the first day a duplicate expense is incurred.

Duplicate expenses associated with a rental at the departure location will be covered on the unoccupied residence (departure or destination) for a maximum of 45 days from the date such expenses are incurred. If prior to moving to a new location, the employee moves from a home to a rental at the departure location, only one 45-day duplicate expense period is applicable.

**HOME PURCHASE ASSISTANCE**

If the relocating employee was a renter at the departure location, prior to assignment, and purchases a home upon repatriation or localization, the Company will reimburse the employee up to a maximum of \$1,000 towards these costs.

The relocating employee who owned a home at the departure location, prior to assignment, and purchases a home upon repatriation or localization, will be reimbursed for reasonable and customary home purchase costs such as survey costs, home inspection costs, attorney fees, title costs, credit report fees, appraisal fee, recording costs and loan service fees. The loan origination fee is limited to \$500. When closing through a national mortgage lender, as provided by the Relocation Company, the lender will direct bill the Relocation Company reimbursable closing costs.

**Limitation:** *The Company will not provide assistance to the employee if they wish to purchase a home at the international location while on an expatriate assignment, nor will the Company assume any responsibility in connection with the disposal of the property at the conclusion of the international assignment. Employees with a signed H&U Waiver on file are ineligible for Home Purchase Assistance upon repatriation.*

The following list identifies some, but not necessarily all, of the items which are reimbursable under the Plan.

Item Name	Item Description
Loan Origination/ Commitment or Any Other Loan Service Fee	This fee covers the lender’s administrative costs in processing the loan which will vary among lenders and from locality to locality. Reimbursement is limited to \$500.
Appraisal Fees	This charge pays for a statement of property value for the lender made by an independent appraiser or by a member of the lender’s staff.
Credit Report Fee	This fee covers the cost of the credit report which shows how the employee has handled other credit transactions. The lender uses this report in conjunction with other information the employee submitted to determine whether the employee is an acceptable credit risk and to help determine how much money to lend.
Lender’s Inspection Fee	This charge covers inspections, often of newly-constructed housing, made by personnel of the lending institution.
Assumption Fee	This fee is charged for processing the paperwork for cases in which the buyer takes over payments on the prior loan of the seller.
Title Charges	Title charges may cover a variety of services performed by the lender or others for handling and supervising the settlement transaction and related services. Due to the great diversity in practice from area to area, the employee’s particular settlement may vary.
Settlement or Closing Fee	A fee paid for escrow closing to the escrow agent (which may be a lender, real estate agent, title company representative, attorney, or an escrow company) for collecting and distributing monies and documentation.
Abstract or Title Search Title Examination Title Insurance Binder	These charges cover the costs of the search and examination of records of previous transfers, to determine whether the seller can convey clear title to the property and to disclose any matters on record that could adversely affect the buyer or the lender.

Document Preparation	There may be a separate document fee that covers preparation of final legal papers, such as a mortgage, deed of trust, note, or deed. The employee should check to see that these services are not also covered under some other service fees.
Notary Fee	This fee is charged for the cost of having a licensed person affix his or her name and seal to various documents authenticating the execution of these documents by the parties.
Attorney's Fee	The employee may be required to pay for legal services provided to the lender in connection with the settlement, such as examination of the title binder or sales contract. If a lawyer's involvement is required by the lender, the fee will appear on this part of the form. Where this service is not required by the lender, yet it is a local custom and is paid for outside of closing, the person conducting the settlement is not obligated to record the fee on the settlement form; however, such fees charged to the employee, as the buyer, are reimbursable by submitting an itemized statement of attorney's fees.
Lender's Title Insurance	A one-time premium may be charged at settlement for a lender's title policy which protects the lender against loss due to problems or defects in connection with the title. The insurance is usually written for the amount of the mortgage loan and covers losses due to defects or problems not identified by title search and examination. In most areas this is customarily paid by the borrower unless the seller agrees in the sales contract to pay part or all of it.
Owner's Title Insurance	The charge for owner's title insurance protects the employee against loss due to title defects. In most areas, it is customary for the seller to provide the buyer with an owner's policy and for the seller to pay for this policy. However, if local custom requires that the employee pay this charge, it is reimbursed.
Government Recording and Transfer Charges	These fees may be paid either by the borrower or seller. The borrower usually pays the fees for legally recording the new deed and mortgage. The transfer charges collected when property changes hands or when a mortgage loan is made are set up by state and/or local governments. City, county and/or state tax stamps may have to be purchased as well.
Survey	The lender or title insurance company may require a property survey to determine the exact location of the house and the lot line, as well as easements and rights-of-way. Usually the buyer pays these fees.
Pest and Other General Inspections	This fee is to cover general home inspection costs (termite, radon, structural, mechanical, etc.).
Condominium Documentation Review	If the employee finances the purchase of a condominium, the lender may make a charge for its review of the bylaws and other legal documents governing the condominium.

## AUTOMOBILE SALE ALLOWANCE PROVISIONS

Employees relocating to an international location may have personal automobile(s) that they wish to dispose of as a result of their relocation. It is recognized that some relocations take place in a relatively short period of time, and the employee may not be able to obtain the best possible price for their vehicle(s).

The Company will therefore provide a cash payment to the employee for up to two vehicles that the employee sells in conjunction with an international relocation. The employee will receive a \$3,000 lump sum payment for each automobile sold, up to a maximum of two cars. Those employees on married unaccompanied status will receive reimbursement for a maximum of one vehicle.

Up to \$3,000 of lease cancellation expenses will be paid to the employee for each lease canceled as a result of the transfer. In no situation will benefits exceed \$6,000 (or \$3,000 in the case of an employee on married unaccompanied status) for each international relocation.

The employee must document the sale of the automobile(s). The sale must be completed after the employee has been advised of the transfer and within 90 days of the effective date of relocation. The automobile must be owned or leased by the employee, a recognized dependent of the family (in the case of an employee on married unaccompanied status) or a recognized dependent of the family moving to the new location, and have valid registration and tags.

Should the employee choose to donate the automobile(s) to charity, the policy will also apply, provided that the charity involved is a bona fide charity and the conditions described above are met. In the U.S., a bona fide charity is defined as a 501c(3) charitable organization and is supported by a 501c(3) receipt.

Benefits will not be paid for motorcycles, boats, airplanes, recreational vehicles, or collector cars.

## THIRD-COUNTRY NATIONAL (TCN) EMPLOYEES

### EXCEPTION & INCIDENTAL ALLOWANCE

The Company will pay the transferred employee a lump-sum disbursement of 1x their monthly base pay, up to a maximum of \$10,000. This allowance is to cover all expenses incurred by the employee and household members which are not specifically covered under other provisions of the Plan. Documentation of actual expenses is not required. Examples of some, but not all, of these expenses are:

- Driver's licenses
- Utility disconnect/ hook-up charges
- Tips to movers
- Additional meal expenses due to travel or living in temporary accommodations
- Pet transportation
- Home site expenses due to travel or living in temporary accommodations, including child and/or pet care, house sitter, lawn maintenance and/or snow removal
- Additional days in temporary housing
- Any other expense not specifically covered under another provision of the Plan

**Limitation:** *Employees on married unaccompanied status are ineligible for the Exception & Incidental Allowance upon repatriation. Those with a signed H&U Waiver on file are limited to a \$3,000 Exception & Incidental Allowance.*

### HOME SALE/HOME PURCHASE ASSISTANCE

Employee's participation in the Home Sale/Home Purchase Assistance Program is dependent on availability in the country of origin. Employee can discuss their country-specific eligibility with the Relocation Company. If available, employee will follow the U.S. Home Sale Assistance Program.

### AUTOMOBILE SALE ALLOWANCE PROVISIONS

Employees relocating to an international location may have personal automobile(s) that they wish to dispose of as a result of their relocation. It is recognized that some relocations take place in a relatively short period of time, and the employee may not be able to obtain the best possible price for their vehicle(s).

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The employee must document the sale of the automobile(s). The sale must be completed after the employee has been advised of the transfer and within 90 days of the effective date of relocation. The automobile must be owned or leased by the employee, a recognized dependent of the family (in the case of an employee on married unaccompanied status) or a recognized dependent of the family moving to the new location, and have valid registration and tags.

Should the employee choose to donate the automobile(s) to charity, the policy will also apply, provided that the charity involved is a bona fide charity and the conditions described above are met. The Company will make a determination, on a case-by-case basis, regarding the charity and whether the benefit will apply.

Benefits will not be paid for motorcycles, boats, airplanes, recreational vehicles, or collector cars.

## U.K. EMPLOYEES

Please contact your local U.K. HR Business Partner for details of benefits provided.

## E.G. EMPLOYEES

### EXCEPTION & INCIDENTAL ALLOWANCE

The Company will pay the transferred employee a lump-sum disbursement of 1x their monthly base pay, up to a maximum of \$10,000. Allowance will be provided in local E.G. currency upon request. This allowance is to cover all expenses incurred by the employee and household members which are not specifically covered under other provisions of the Plan. Documentation of actual expenses is not required. Examples of some, but not all, of these expenses are:

- Driver's licenses
- Utility disconnect/ hook-up charges
- Tips to movers
- Additional meal expenses due to travel or living in temporary accommodations
- Pet transportation
- Home site expenses due to travel or living in temporary accommodations, including child and/or pet care, house sitter, lawn maintenance and/or snow removal
- Additional days in temporary housing
- Any other expense not specifically covered under another provision of the Plan

**Limitation:** *Employees on married unaccompanied status are ineligible for the Exception & Incidental Allowance upon repatriation. Those with a signed H&U Waiver on file are limited to a \$3,000 (or equivalent in home currency) Exception & Incidental Allowance.*

### HOME SALE/HOME PURCHASE ASSISTANCE

Home Sale/Home Purchase Assistance benefits not provided.

## AUTOMOBILE SALE ALLOWANCE PROVISIONS

Employees relocating to an international location may have personal automobile(s) that they wish to dispose of as a result of their relocation. It is recognized that some relocations take place in a relatively short period of time, and the employee may not be able to obtain the best possible price for their vehicle(s).

The Company will therefore provide a cash payment to the employee for up to two vehicles that the employee sells in conjunction with an international relocation. The employee will receive a \$3,000 lump sum payment for each automobile sold, up to a maximum of two cars. Allowance will be provided in local E.G. currency upon request. Those employees on married unaccompanied status will receive reimbursement for a maximum of one vehicle.

Up to \$3,000 of lease cancellation expenses will be paid to the employee for each lease canceled as a result of the transfer. In no situation will benefits exceed \$6,000 (or \$3,000 in the case of an employee on married unaccompanied status) for each international relocation.

The employee must document the sale of the automobile(s). The sale must be completed after the employee has been advised of the transfer and within 90 days of the effective date of relocation. The automobile must be owned or leased by the employee, a recognized dependent of the family (in the case of an employee on married unaccompanied status) or a recognized dependent of the family moving to the new location, and have valid registration and tags.

Should the employee choose to donate the automobile(s) to charity, the policy will also apply, provided that the charity involved is a bona fide charity and the conditions described above are met. The Company will make a determination, on a case-by-case basis, regarding the charity and whether the benefit will apply.

Benefits will not be paid for motorcycles, boats, airplanes, recreational vehicles, or collector cars.

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## OTHER PROVISIONS

### HOUSING & UTILITIES (H&U) WAIVER

In order to protect employees on long term international assignments from host location housing costs in excess of those in the country of payroll, the Company, in most locations, pays assignment location housing costs, and may, depending upon circumstances, deduct a hypothetical cost for housing and utilities based on country of payroll average housing costs from the employee's base salary. All employees on a long term international assignment are subject to a Housing and Utilities Deduction, except those on unaccompanied status and those who sign the Housing and Utility (H&U) Waiver.

For those employees who choose not to sell their home country primary residence and who sign the H&U Waiver, the following provisions DO NOT apply:

- Upon Initial Expatriation:
  - Home Sale Assistance
  - Household Goods Storage
- Upon Repatriation:
  - Home Purchase Assistance
  - Household Goods Storage
  - Temporary Living Expenses
  - Relocation Allowance

The employee is eligible for a \$3,000 or £2,000 (dependent on country-of-payroll) lump sum payment upon repatriation to assist with their transition back to their primary residence.

## REIMBURSEMENT TIME LIMITS & RECONCILIATION

The time limit for completing a relocation is 12 months from the effective date of transfer. At the conclusion of the move, the employee must ensure all expenses have been submitted to the Relocation Company, along with appropriate supporting documentation, in order to be eligible for reimbursement of expenses which are covered. The employee will receive a summary of the expenses. Any monies due to the employee will be paid by the Relocation Company. There will be no cash allowance in lieu of the relocation benefits stipulated in this Plan.

## EXCEPTIONS

Exceptions to the Plan must be justified and submitted in writing. Approval may be granted by the Vice President of the employee's receiving organization and the Global Mobility & Relocation Coordinator.

## PLAN IMPLEMENTATION

The VP of Human Resources & Administrative Services shall have primary responsibility for approving this Plan. The Global Mobility & Relocation organization is the central coordinator for the Plan.

## PARTICIPATION BY ASSOCIATED COMPANIES AND ORGANIZATIONS

Participating companies include Marathon Oil Company, Marathon Service Company, and Marathon Oil Sands USA, Inc. Marathon Oil Company may permit other subsidiaries and affiliates to participate in this Plan in the future.

## MODIFICATION AND TERMINATION

The Company reserves the right to modify or terminate this Plan, in whole or in part, in such manner and time as the Company shall determine appropriate.

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## TAXES

**Note:** This language is provided for informational use only. Please consult your tax and/or legal advisor with regard to any interpretation of applicable law and/or regulation or subsequent changes to the Plan.

## U.S. EMPLOYEES

### TAX TREATMENT OF EXPENSES

All non-deductible relocation expenses that the Company pays on the employee's behalf or directly to the employee are reported to the Internal Revenue Service (IRS) as compensation, which will be included in the employee's gross annual income. The only exceptions are:

- The expenses associated with shipment of household goods;
- Storage costs up to 30 consecutive days after the household goods are moved from the employee's former home and before they are delivered to the employee's new home; and
- The travel and lodging (not meals) for the employee and their household members during the final move. This includes expenses, if incurred, for one day of lodging in the area of the employee's former home as well as the day the employee arrives in the destination location.

These costs are considered “excludable from income” and will not be shown on the employee’s W-2 form unless they are paid directly to the employee. In this case, they will still be excluded from the employee’s income but will appear on the W-2 in Box 12 with a Code P.

The relocation must meet the following conditions for the above expenses to qualify as excludable:

- The distance between the employee’s new place of work and former residence must be at least 50 miles more than the distance between the former place of work and former residence
- The employee must reside and work full-time or part-time at the new location for at least 39 weeks during the twelve-month period immediately following arrival at the new location. This condition does not apply if the employee fails to satisfy it because of death, disability, involuntary separation (other than for willful misconduct), or transfer for the benefit of the Company

Based on IRS and state requirements, the Company will include reimbursed relocation expenses on the employee’s W-2 form in the year in which they are paid through the end of the Company’s relocation fiscal year-end. Any expenses that roll over into the next year will be reported as income in that year and will be grossed-up for taxes due in that year.

In certain cases as determined by the IRS, an approved extension beyond the Plan’s 12-month requirement for completing a relocation may result in reimbursements being taxable to the employee and in such cases, these added tax costs will be borne by the employee.

## TAX ALLOWANCES

The Company will provide tax assistance for federal, FICA and state income taxes to help offset the tax burden associated with taxable relocation related expenses. The tax assistance will also be considered income; so, in the calculation of the tax assistance, there will be an adjustment to also cover this additional tax liability for non-tax equalized employees.

Tax assistance is provided on the tax assistance itself and on all taxable amounts except:

- Federal Tax Deductible Amounts (includes amounts for items such as loan origination fees, real estate taxes, and mortgage interest)
- Home Sale Incentive
- Home Selling Costs reimbursed if the relocating employee sells the home directly after declining participation in the Relocation Company’s home purchase program or rejecting the Relocation Company’s offer

The FICA tax assistance is calculated by using the rates and wage base in effect for the year in which the moving expenses are reported on the Form W-2.

Appropriate withholding for Federal, State, and FICA taxes will be made, and deposited with the employee’s regular withholdings. At the end of the year, the employee will receive their W-2 form as prescribed by law. The employee will be able to access a statement summarizing the relocation expenses and tax assistance related to their relocation from the Relocation Company.

Although the Company’s tax assistance policy is competitive, it may not cover the employee’s entire tax liability. As each dollar of tax assistance is considered additional income, it is arithmetically impossible for the gross-up to cover all taxes. The employee may also have expenses that were reimbursed or paid that are not covered in the tax assistance policy. The tax assistance calculation is based on the federal supplemental rate of 25% therefore the employee’s total family income may affect the tax bracket and, consequently, the taxes due on reimbursed relocation expenses.