



Marathon Oil Company Military Leave of Absence Plan

Current as of January 1, 2007

Military Leave of Absence Plan



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Military Leave of Absence Plan

I. Purpose

The plan establishes uniform military leave treatment and allows eligible employees to fulfill their military obligations required by law or administrative regulation. The plan is effective September 1, 2005.

II. Definitions

For the purpose of this plan, the following definition of “service in the uniformed services” applies.

“Uniformed Services”

The “uniformed services” consist of the following military branches: Army, Navy, Marine Corps, Air Force, Coast Guard, the Reserves, Army National Guard, Air National Guard, Commission Corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency.

“Service in the Uniformed Services”

“Service in the uniformed services” means duty, on a voluntary or involuntary basis, including: active duty, active duty for training, initial active duty for training, inactive duty training, full time National Guard Duty, and any period of absence for an examination to determine the fitness of the person to perform any such duty.

III. Eligibility

All Regular employees who work on a “full-time” or “part-time” basis are eligible for a Military Leave of Absence.

For purposes of benefit eligibility, Regular Full-time basis means the employee has a normal work schedule of at least 40 hours per week or at least 80 hours on a bi-weekly basis. However, if a Regular Full-time employee’s normal work schedule which has been reduced to 20 or more hours per week to accommodate a bona fide health problem or disability, such employee will continue to be eligible for the plan provided the employee remains eligible for coverage under a Company-provided health plan.

Regular Part-time means the employee is a non-supervisory employee who is employed to work on a part-time basis (minimum 20 hours but less than 35 hours per week) and not on a time, special job completion, or call when needed basis.

Casual employees and Regular employees working less than 40 hours per week are also eligible for participation. While these employees are eligible for participation in the plan, this does not extend their eligibility under the benefit plans, employment practices and policies to which they would otherwise not be entitled.

Eligibility for re-employment and treatment under the conditions and provisions of the Military Leave of Absence Plan is extended for leaves not exceeding five (5) years. The five year maximum does not include certain periods of time (e.g., service required beyond five years to complete an initial period of obligated service, service required to fulfill additional training requirements, active duty during a war or declared national emergency, etc.) as exempted under the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA).

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Eligibility in this Plan **does not** extend to anyone whose military service terminates due to:

- a dishonorable or bad conduct discharge;
- other than honorable conditions;
- dismissal; or
- a dropping of such person from the military rolls.

IV. Compensation During Military Leave

Leave Less Than or Equal to Six Months

The amount of regular Company base pay an employee receives during a leave of less than or equal to six months is determined by the following considerations:

- The employee's "Military Pay, Daily Base Rate" is multiplied by the number of regularly scheduled Company workdays which occur during the tour of duty; this amount is subtracted from the employee's Company pay. Military base pay is deducted from Company pay only for regularly scheduled workdays.

Interpretation:

If an employee were called for duty three days only, Friday, Saturday, and Sunday, and the employee is not scheduled for work Saturday and Sunday, then the employee will receive Company pay, less military pay for Friday (no Company pay received for Saturday and Sunday). If the employee is scheduled to work on Friday, Saturday, and Sunday, the employee will receive offset pay (Company pay less Military pay) for all three days.

- Calendar and designated holidays allowed by the Company are considered "regularly scheduled workdays." Military Base Pay received for service on such days will be deducted.

The employee will receive Company base pay, offset by government base pay, for a maximum of the first six months of any one tour of duty.

Casual employees will receive Company base pay, offset by government base pay, for a period of time equal to the lesser of their uncompleted approved period of company employment or six months.

In Excess of Six Months

No further compensation received from Company.

Salary Consideration

An employee's merit eligibility date is unaffected by a military leave of absence.

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Employee Service Plan Status During Leave

The period of leave is credited to the employee as service, provided the employee returns to work for the Company within the stipulated period of time following discharge from service (see “VIII. Returning to Work/Applying for Job Reinstatement,” paragraphs a, b, c, and d). Should the employee delay job reinstatement beyond the stipulated period, on return the employee will be accredited only with such past service as was accredited to the employee on the date the leave began.

V. Benefit Plan Status During Leave of Six Months or Less

Benefits are available in the same manner as for active employees with the following exceptions:

- a. Occupational Accidental Death (OAD) is suspended
- b. Sick Benefits are not available until return to work for one full day
- c. Termination Allowance Plan (TAP) is not available until termination of the leave.

VI. Benefit Plan Status During Leaves In Excess of Six Months

Life Insurance, AD&D and LTD Plans

Pursuant to the terms of the Plans, the employee’s membership in these plans is continued provided their employee contributions are pre-paid.

OAD

Pursuant to the terms of the Plan, employee’s coverage is suspended during any period of time in which they are performing “service in the uniformed services.”

Health and Dental Plans

Pursuant to the terms of the Plans, employee and dependent coverage is continued at active employee rates.

Wellness Plan and Employee Assistance Program

Coverage for the employee and dependents may be continued for up to one year (including the first six months of leave) subject to the terms of the plans.

Contribution Conversion Plan

Members who continue participation in a Group Plan pursuant to the terms of that plan, will be considered members of CCP even though their participation in CCP is suspended for the period of time for which they are on the unpaid leave of absence, provided they were members immediately preceding their leave of absence. Upon returning to active employment, such employees will be considered members. They will not be considered members of the CCP for the Level Premium Life Insurance Plan if they revoked their election to participate in CCP upon commencement of the unpaid leave of absence.

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Retirement Plan

Pursuant to the terms of the Plan, the period of leave is counted for vesting and eligibility for early retirement and is also recognized for participation.

Thrift Plan

Pursuant to the terms of the Plan, the employee's Thrift Plan accounts are placed in suspense while on leave. The period of leave is counted for vesting purposes under the Thrift Plan. Payments on Thrift Plan loans must continue during the leave. The interest rate for loans for members on Military Leave of Absence and on active duty will be as stated in the Thrift Plan.

Sick Benefit Plan

An employee is not eligible for sick benefits during a leave. The period of leave is counted towards the employee's service record for sick benefit purposes. The employee qualifies immediately for benefits upon return to active employment for one full day.

Vacation Plan

The period of leave is counted toward years of service for vacation purposes.

The employee is entitled to vacation benefits for the year in which the leave commences. Upon return to work for one full day in a new calendar year, the employee is immediately eligible for vacation for that year.

If an employee is expected to return to work in the same calendar year in which the leave begins, unused vacation will be granted when the employee returns from leave.

If an employee is not expected to return to work in the same calendar year in which the leave begins, unused vacation in excess of 5 days will be paid when the leave begins. Unused vacation of 5 days or less at year-end will be carried over to the next calendar year.

U.S. Savings Bond Payroll Deduction Plan

Membership is terminated.

Any uninvested cash in the member's account will be refunded when the leave begins.

Marathon Scholars Program

An application from the son or daughter of an employee performing "service in the uniformed services" will be considered by the Scholarship Committee.

Educational Reimbursement Plan

An employee on leave is eligible for Educational Reimbursement.

Matching Gifts Plan

An employee on leave is eligible to participate in the Matching Gifts Plan.

Termination Allowance Plan

An employee on leave would not be eligible for termination allowance consideration until the termination of the leave.

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Merit Increase Eligibility

An employee's merit eligibility date is unaffected by a military leave of absence.

Success Sharing Plan (SSP)/Success Through People Plan (STP)

Compensation received from the Company by an employee on military leave is included as a pay component for purposes of calculating SSP/STP pay-outs.

VII. Job Reinstatement Rights

The following job reinstatement standards as provided under USERRA are applicable to the Military Leave of Absence Plan.

An employee whose "service in the uniformed services" lasts one (1) to ninety (90) days will be promptly re-employed in the following order of priority:

- a. in the job the person would have held had they remained continuously employed (if the person would have been promoted, with reasonable certainty, had they remained on the job, then the employee will be placed in that higher level of job upon return), so long as the individual is qualified for the job or can become qualified after reasonable efforts by Marathon to qualify the person; or
- b. if the employee cannot become qualified for the position in (a) above, then they will be placed in: the employee's pre-service position so long as they are qualified for the job or could become qualified after reasonable efforts by Marathon to qualify the person; or
- c. if the employee cannot become qualified for the positions under either (a) or (b) above, then the employee will be placed in any other position which is the nearest approximation to a position referred to first in clause (a) and then in clause (b) which such person is qualified to perform, with full seniority.

If "service in the uniformed services" is for 91 days or more, upon return individuals will be placed:

- a. in the job the person would have held had the person remained continuously employed, or a position of equivalent seniority, status and pay, so long as the person is qualified for the job or can become qualified after reasonable efforts by Marathon to qualify the person; or
- b. if the employee cannot become qualified for the position in (a) above, in the employee's pre-service position, or a position of equivalent seniority, status and pay, so long as the person is qualified for the job or could become qualified after reasonable efforts by Marathon to qualify the person; or
- c. if the employee cannot become qualified for the positions under either (a) or (b) above, then the employee will be placed in any other position which is the nearest approximation to a position referred to first in clause (a) and then in clause (b) which such person is qualified to perform, with full seniority.

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Re-employment for persons with service-connected disabilities is as follows:

- a. Marathon will make reasonable efforts to accommodate a person's disability so that they can perform the position they would have held if the person would have remained continuously on the job;
- b. if, despite reasonable accommodation, an individual is not qualified to perform this position due to their disability, the person will be employed in a position of equivalent seniority, status and pay so long as the employee is qualified to perform the duties of the position or could become qualified to perform them with reasonable effort by Marathon; and
- c. if the employee is not employed under (a) or (b) above, then the employee will be placed in a position which is the nearest approximation to a position referred to in clause (b) in terms of seniority, status, and pay consistent with the circumstances of such person's case.

Re-employment rights **do not** extend to persons whose employment with the Company is for a brief non-recurrent period and where there is no reasonable expectation that such employment will continue indefinitely or for a significant period (e.g., casuals).

VIII. Returning to Work/Applying for Job Reinstatement

The following application for re-employment standards as provided under USERRA are applicable to the Military Leave of Absence Plan.

- a. An employee whose "service in the uniformed services" is for 30 days or less, must report to his or her employer at the start of the next regularly scheduled shift following eight hours of returning safely home, unless reporting within eight hours is impossible or unreasonable through no fault of the employee.
- b. An employee whose "service in the uniformed services" extends more than 30 days but less than 181 days must apply for reinstatement no later than fourteen (14) days after completion of the service. If that is impossible or unreasonable through no fault of the employee, they must apply as soon as possible. Reinstatement does not require completion of an application for re-employment, rather the procedures for returning employees to active from inactive leave status should be followed.
- c. An employee whose "service in the uniformed services" extends more than 180 days must apply for reinstatement no later than ninety (90) days after completion of the service. If that is impossible or unreasonable through no fault of the employee, they must apply as soon as possible. Reinstatement does not require completion of an application for re-employment, rather the procedures for returning employees to active from inactive status should be followed.
- d. The above deadlines are extended for up to two (2) years for persons who are hospitalized or convalescing because of the service-connected illness or injury. The two (2) year period will be extended by the minimum time required to accommodate a circumstance beyond an individual's control that would make reporting within the two (2) year period impossible or unreasonable.

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IX. Discharge

An employee cannot be discharged, except for cause, within six months of re-employment if military leave was between 30 and 181 days and within one year of re-employment if military leave was in excess of 180 days.

X. COBRA

A military reservist called to Active Duty is immediately eligible for health coverage by the U.S. Government. Dependents of active military reservists are covered under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). Since both of these coverages are through the U.S. Government the coverage does not prohibit the member or dependents from electing COBRA continuation of coverage under the Health Plan and Dental Plans. CHAMPUS is the secondary payor if the dependents are covered under the Health Plan or a Dental Plan.

Managed Care Administration mails out the COBRA notification letters.

XI. VP Human Resources Approval For Minor Amendments

In addition to the other methods of amending Marathon's employee benefit plans, practices, and policies (hereinafter referred to as "MOC Employee Benefit Plans") which have been authorized, or may in the future be authorized, by the Marathon Oil Company Board of Directors, the Company's Vice President of Human Resources may approve the following types of amendments to MOC Employee Benefit Plans:

- i. With the opinion of counsel, technical amendments required by applicable laws and regulations;
- ii. With the opinion of counsel, amendments that are clarifications of plan provisions;
- iii. Amendments in connection with a signed definitive agreement governing a merger, acquisition or divestiture such that, for MOC Employee Benefit Plans, needed changes are specifically described in the definitive agreement, or if not specifically described in the definitive agreement, the needed changes are in keeping with the intent of the definitive agreement;
- iv. Amendments in connection with changes that have a minimal cost impact (as defined below) to the Company; and
- v. With the opinion of counsel, amendments in connection with changes resulting from state or federal legislative actions that have a minimal cost impact (as defined below) to the Company.

For purposes of the above, "minimal cost impact" is defined as an annual cost impact to the Company per MOC Employee Benefit Plan case that does not exceed the greater of (i) an amount that is less than one-half of one percent of its documented total cost (including administrative costs) for the previous calendar year, or (ii) \$100,000.

If there is ever a conflict between the language of this Military Leave of Absence Plan and any of the benefit plan documents, the benefit plan documents will be followed.



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XII. Participation by Associated Companies and Organizations

Upon specific authority and subject to such terms and conditions as it may establish, Marathon Oil company may permit subsidiaries and affiliated organizations to participate in this plan. Currently, these participating companies include Marathon Oil Company, Marathon Oil Corporation, MOC Administration LLC, Marathon Service Company, Marathon Petroleum Company LLC, Marathon Pipe Line LLC, and Catlettsburg Refining LLC.

The term “Company” and other similar words shall include Marathon Oil Company and such affiliated organizations. The term “employee” and other similar words shall include any eligible employee of these companies.

XIII. Further Information

Benefits Administration and Human Resources coordinate the administration of the plan throughout the Company.

The Manager, Human Resources Services, reviews all leave requests for completeness and compliance with Plan provisions.



Appendix A

Military Leave of Absence Plan Effective During “Operation Enduring Freedom”

Pay/Benefit Duration

The Military Leave of Absence Plan has been amended for employees on military leave during “Operation Enduring Freedom” to provide that they will receive Company base pay, offset by government base pay, for a maximum of the duration of their leave. All employee benefit plans, policies and procedures as described in the attached Military Leave of Absence Plan for leaves of six months or less have been amended to provide these same benefits for any length of leave (including beyond six months) for the duration of “Operation Enduring Freedom.”

Effective with the official date of the conclusion of “Operation Enduring Freedom,” the benefits described in this Supplement will be eliminated.

Casual Employee Compensation

For Casual employees, during “Operation Enduring Freedom” the maximum amount of time for which the Company provides Company pay offset by military pay is for the duration of the Casual employee’s leave. Following the conclusion of “Operation Enduring Freedom,” that maximum time for Company pay offset by military pay is six months.

Except as described above, the Military Leave of Absence Plan attached is applicable during and following “Operation Enduring Freedom.”