

**Marathon Oil Company
Permissible Absences for
Personal Reasons Plan**

Current as of January 1, 2013

Permissible Absences Plan

Table of Contents

I. Definition.....	1
II. Eligibility.....	1
III. Company Allowed Absences.....	1
IV. Other Discretionary Absences.....	3
V. VP Human Resources Approval for Minor Amendments.....	4
VI. Modification and Termination	5

Permissible Absences Plan

I. Definition

Certain employee absences from work for personal reasons are unavoidable and should be permitted if the absence does not interfere seriously with Company operations.

II. Eligibility

Regular employees who work on a Regular “full-time” or Regular “part-time” basis are eligible. For purposes of eligibility, “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. In addition, if a Regular employee’s normal work schedule is reduced to 20 hours or more per week to accommodate a bona fide health problem or disability, such employee will continue their eligibility for participation. “Part-time” basis means the employee is a non-supervisory employee who is employed to work a minimum of 20 hours but less than 35 hours per week and not on a time, special job completion, or call when needed basis.

III. Company Allowed Absences

A. Flex Days: The purpose of Flex Days is to handle routine, foreseeable obligations such as doctor and dentist appointments, school visits and home or car repairs. The expectation is that Flex Days will lessen the number of Absences with Pay days, as described in Section IV.B.

Flex Days are available to employees at upstream locations.

1. *Regular Full-time exempt and non-exempt employees scheduled to work 8 hours per day, 5 days per week (40-hour workweek schedule) receive Flex Days as follows:*
 - a. Eligibility is automatic for Regular Full-time employees whose schedule is to work 8 hours per day, 5 days per week.
 - b. Eligible employees, as described in 1. receive one paid Flex Day off every two calendar months as divided equally (i.e., Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec) from January 1 to December 31 of each calendar year.
 - c. Flex Days may be taken in full or half-day increments. Flex Days should be scheduled in advance, if possible, through the supervisor. Flex Days are offered on a “use it or lose it” basis. Flex Days do not carry over from one two month period to the next. Unused days are not payable if employment terminates.

Permissible Absences Plan

2. *Regular Full-time exempt employees scheduled to work 9 hours per day, 5 days per week (45 hours per week, "Flex 9/80") receive Flex Days as follows:*
 - a. Eligibility is automatic for Regular Full-time exempt employees scheduled to work 9 hours per day, 5 days per week (Flex 9/80 schedule.)
 - b. Eligible employees, as described in 2. receive two paid Flex Days off every calendar month (Monthly Flex Days) and an additional two paid Flex Days off each calendar year (Annual Flex Days) from January 1 to December 31 of each calendar year. Monthly Flex Days are granted at the beginning of each month or upon date of hire or transfer within the month of hire. Annual Flex Days are granted at the beginning of each calendar year or upon date of hire or transfer, regardless of transfer/hire date within the calendar year.
 - c. Flex Days may be taken in full or half-day increments. Flex Days should be scheduled in advance, if possible, through the supervisor. Flex Days are offered on a "use it or lose it" basis. Monthly Flex Days do not carry over from one month to the next and Annual Flex Days do not carry from one year to the next. Unused days are not payable if employment terminates.
3. *Regular Full-time Non-Exempt employees working a Traditional 9/80 schedule are NOT eligible for Flex Days.*

- B. Death in Family:** Reasonable time off with pay is granted because of death in the employee's immediate or semi-immediate family.
- C. Jury Duty:** An employee called for jury duty is granted time off with pay for jury service. This service normally includes time spent actually serving on the jury and time spent while in the process of being approved for duty. If the employee receives pay from the court, it is not deducted from Company pay.
- D. Voting:** Necessary time off with pay is granted for voting in both primary and general elections.
- E. Election Workers:** Time off with pay is allowed for employees to serve in various duties as polling place officials or Board of Election employees during any public election.
- F. Birth, Adoption, or Foster Placement of a Child or to Care for a Seriously-ill Family Member:** Short-term absences (less than 30 days) for reasons which fall under the Family and Medical Leave Act of 1993 (FMLA) may be granted under this Plan (with or without pay) at the discretion of the employee's supervisor.
- If a short-term absence is not granted under this Plan, Family Leave without pay **must be granted** to eligible employees provided the reason for the absence falls under the FMLA.
 - Absences granted under the Permissible Absences for Personal Reasons Plan **will not be counted** as part of the 12 workweeks provided under the FMLA.

Permissible Absences Plan

IV. Other Discretionary Absences

Certain other absences for personal reasons may be permitted at the discretion of the employee's supervisor, and may be with or without pay. The supervisor should consider each request individually taking into account the effect on Company operations, the employee's past record, frequency and fairness of request, and the effect on other employees within the same component.

A. Maximum Duration of Absences With or Without Pay: Both Absences With Pay and Absences Without Pay are limited to a maximum 30 day duration.

B. Absences With Pay: Because of the availability of Flex Days, the expectation is that Absences with Pay granted for the purposes below should decrease.

1. *Visits to Doctor, Dentist, etc.:* A reasonable amount of time off with pay may be allowed for the employee to go, or for the employee to take a member of their family, to a doctor, dentist, etc. For absences due to personal illness, see Sick Benefit Plan and Sick Leave Plan.
2. *Conventions:* A reasonable amount of time off with pay may be allowed for attending conventions (church, lodge, etc.), providing the employee is an official representative.
3. *Miscellaneous:* The supervisor may allow time off with pay, usually no more than one day, for an absence due to:
 - Moving
 - Employee's wedding
 - A wedding (other than the employee's)
 - Graduation exercises
 - Donating blood
 - Funerals (other than those covered under "Death in Family")
 - Other justifiable reasons of a personal nature.
4. *Parental Involvement Act of Colorado (Applicable only to residents of Colorado):* Nonsupervisory employees who are residents of Colorado may take up to 18 hours (if employed full-time) of unpaid leave per academic year for purposes of attending their Kindergarten through 12th grade child's academic activities. This academic leave includes attendance for parent-teacher conferences, meetings related to special education services, dropout prevention, attendance/truancy and discipline issues.

Although the Parental Involvement Act (Act) of Colorado states the time off can be unpaid, MOC will grant the time off with pay under this Permissible Absences Plan.

- Employees with Flex Days will be required to utilize their Flex Days for this purpose.
- Employees who do not have Flex Days will utilize paid personal absence time for this purpose.

Leave time under the Act is limited to six hours per month and can only be taken in increments of three hours or less. Employees should provide one week's notice except in an emergency. Employees may be required to provide written verification of the reason for leave.

Part-time employees are entitled to a pro-rated amount of leave based on their normal work schedule.

Permissible Absences Plan

C. Absences Without Pay: The beginning and ending date of the absence must be agreed on prior to approval. For other absences without pay, see the FAMILY/PERSONAL LEAVE PLAN.

1. *Approval:* The absence requires the approval of the employee's immediate supervisor.
2. *Service:* Service accrues during the absence and employment is considered to be continuous.
3. *Benefit Plans Requiring Employee Contributions:* Participation in these Plans may be continued without interruption during the period of absence provided the required monthly contributions are remitted in advance of the period of coverage.
4. *Retirement Plan:* Vesting and participation are maintained without interruption during the period of absence.
5. *Thrift Plan:* Participation is unaffected if the absence is paid. If unpaid, contributions and participation will be less, in proportion to the reduced amount of pay received because of the absence. Payments on Thrift Plan loans must continue during the absence.
6. *Other Plans:* Participation or eligibility for participation in all other plans is not affected by the absence.

V. VP Human Resources Approval for Minor Amendments

In addition to the other methods of amending Marathon Oil Company'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 Corporation 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 the one percent of its documented total cost (including administrative costs) for the previous year; or
- (ii) \$500,000.



Permissible Absences Plan

The Board of Directors of MOC or the Executive Committee of the Board has delegated to the Salary and Benefits Committee the authority to amend, modify, or terminate this Plan at any time. This authority delegated to the MOC Salary and Benefits Committee shall be exercised in writing.

VI. Modification and Termination

While the Company hopes that this Plan may be continued indefinitely, it is realized that conditions may change. The Company, therefore, reserves the right to modify or terminate this Plan, in whole or in part, in such manner as it shall determine, either alone or in conjunction with other plans of the Company under the Internal Revenue Code or to comply with applicable state or federal regulations. Such modification or termination can be applied, at the sole discretion of the Company, to any or all members.