



Relocation Guide
Covering Long-Term International Assignments for
Employees Relocating Between North America
and an Overseas Location
and
Reclassifications to the U.S. Payroll

Revised June 1, 2010



Relocation Guide

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Export Compliance Notification to Employees Relocating From the U.S. to Overseas

As an employee of Marathon, you are required to comply with U.S. export control regulations — this includes the shipment of your personal and household effects to any foreign location, whether originating from the U.S. or any other country. If you are relocating to any country outside of the U.S. you must take the appropriate measures described in the attached letters *Export Compliance Guidelines for Relocating Marathon Employees – Libya* and *Export Compliance Guidelines for Relocating Marathon Employees Going Overseas – All Destinations Except Libya*. By following the guidelines in the applicable letter, you will be fulfilling your obligations to aid Marathon in fully complying with the U.S. Export Control Regulations, which will minimize violations of the export control laws. Violations of these laws can mean civil and criminal penalties (fines, sanctions and/or prison terms) for employees of Marathon.



Export Compliance Guidelines for Relocating Marathon Employees – Libya

To: Marathon Employees Relocating to Libya

While the economic trade embargo against Libya has been lifted, U.S. Export Control regulations are still very restrictive regarding the shipment of U.S. goods and technology into Libya. As part of the company's core principles, Marathon is committed to conduct its business in full compliance with these regulations which will also have a direct impact on your own personal shipments to Libya resulting from your new assignment.

The Export Administration Regulations (EAR) authorizes individuals leaving the United States either for short-term or long-term assignments to Libya (i.e., moving) to take the following commodities and software for personal use of the individuals or members of their immediate families traveling with them:

- Personal effects — Usual and reasonable kinds and quantities for personal use of wearing apparel, articles of personal adornment, toilet articles, medicinal supplies, food, souvenirs, games, and similar personal effects
- Household effects — Usual and reasonable kinds and quantities for personal use of furniture, household effects, and household furnishings
- Tools of trade — Usual and reasonable kinds and quantities of tools, instruments, or equipment for use in the trade, occupation, vocation, or hobby of the individual or members of the household being moved.

These commodities and software must be (1) owned by the individuals, (2) intended for and appropriate for the use of the individuals or members of their immediate families traveling with them, and (3) not intended for sale or other disposal. Further, such commodities and software must be brought back to the United States when the individuals depart from Libya unless they were consumed by the individuals while in Libya or the individuals are otherwise authorized to dispose of them under the EAR. While normally requiring an export license, these commodities and software of a transferring employee can be legally exported without a license under the license exception Baggage (BAG) in most instances.

The first thing to do when beginning to coordinate the move of your personal effects with the moving company's representative, is to send a preliminary list of all items that you plan to move that are technical or advanced in nature. Examples would include all personal computers, peripherals, hand-held GPS devices, satellite phones, advanced/high end digital cameras, night vision goggles, binoculars, electronics with encryption capabilities, etc.). Please send this list via fax or e-mail attachment to Marathon's Export Compliance Administrator:

Ralph Lopez
713-296-2731 (Phone)
281-455-5414 (Cell)
713-513-1351 (Fax)
rlopez@marathonoil.com



Relocation Guide

It is critically important that this listing define the items in detail, i.e., manufacturer, model number, serial number, date of acquisition, etc. to enable the correct classification and screening against the regulations. This listing will then be reviewed to determine if any items require an export license PRIOR to shipping your goods. While this is generally not a requirement for normal household goods, if the event your list contains controlled commodities or software, an export license can take up to 90 days to obtain. If this is required, Marathon will make the license application on your behalf.

An employee's company issued laptop and associated hardware/software can be taken to Libya as a "tool of the trade" using the license exception for temporary exports or reexports (TMP). This means that an individual may temporarily bring a laptop with preloaded software to Libya while he/she is traveling on business, but the U.S. Government and Marathon require that you take certain steps to safeguard the laptop. You must:

- Ensure that the laptop is returned to the country from which it was exported (the United States) within one year
- Ensure that the laptop remains under your "effective control" by keeping it in your physical custody, or placing it in a secure place such as a hotel safe or other place where it will be under lock and key
- Refrain from loading the software contained on the laptop onto other machines; and
- Refrain from loaning the laptop to other persons

If it is anticipated that you will be living in Libya longer than a year, Marathon will apply for an export license on behalf of your business unit.

Any computer taken to Libya, either under the TMP or BAG license exceptions may contain preloaded software that contains encryption (i.e., Windows XP, Windows Explorer, Oracle 32 Bit Client, Citrix Program Neighborhood, etc.). However, you are not authorized to bring any copies of encryption software into Libya that are not preloaded onto your laptop. This means you may not bring CD-ROM's or disks with encryption software into Libya. If you have any questions about what products might contain encryption or if you need to bring such CD-ROM's or disks into Libya, please consult with Raymond Lovorn prior to your scheduled travel date.

It is important to follow these guidelines closely when relocating to Libya. Failure to comply with the laws and regulations governing exports could result in monetary fines for you as well as Marathon, loss of Marathon's export privileges, imprisonment, and other sanctions. It is suggested that you carry this letter with you while traveling to and from Libya as it evidences Marathon's awareness of current export restrictions impacting that country.

If you have any questions or concerns regarding these regulations or any other export controls issues, please contact us immediately.



Export Compliance Guidelines for Relocating Marathon Employees (All Destinations Except Libya)

To: Marathon Employees Relocating Overseas (Except Libya)

The U.S. Government regulates the export (USA to any country) and the re-export (any country to any other country) of commodities, software and technology by Marathon and its employees and contractors. As part of the company's core principles, Marathon is committed to conduct its business in full compliance with these regulations which will directly impact your own personal effects shipment for your overseas assignment.

The Export Administration Regulations (EAR) authorizes individuals leaving the United States either for short-term or long-term assignments overseas (i.e., moving) to take the following commodities and software for personal use of the individuals or members of their immediate families traveling with them:

- Personal effects — Usual and reasonable kinds and quantities for personal use of wearing apparel, articles of personal adornment, toilet articles, medicinal supplies, food, souvenirs, games, and similar personal effects
- Household effects — Usual and reasonable kinds and quantities for personal use of furniture, household effects, and household furnishings
- Tools of trade — Usual and reasonable kinds and quantities of tools, instruments, or equipment for use in the trade, occupation, vocation, or hobby of the individual or members of the household being moved.

These commodities and software must be (1) owned by the individuals, (2) intended for and appropriate for the use of the individuals or members of their immediate families traveling with them, and (3) not intended for sale or other disposal. Further, such commodities and software must be brought back to the United States when the individuals depart from the foreign location unless they were consumed by the individuals while in that country or the individuals are otherwise authorized to dispose of them under the EAR. While normally requiring an export license, these commodities and software of a transferring employee can be legally exported without a license under the license exception Baggage (BAG) in most instances.

The first thing to do when beginning to coordinate the move of your personal effects with the moving company's representative, is to send a preliminary list of all items that you plan to move that are technical or advanced in nature. Examples would include all personal computers, peripherals, hand-held GPS devices, satellite phones, advanced/high end digital cameras, night vision goggles, binoculars, electronics with encryption capabilities, etc.). Please send this list via fax or e-mail attachment to Marathon's Export Compliance Administrator:

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An employee's company issued laptop and associated hardware/software can be taken overseas as a "tool of the trade" using the license exception for temporary exports or reexports (TMP). This means that an individual may temporarily take a laptop with preloaded software to a foreign country while he/she is traveling on business, but the U.S. Government and Marathon require that you take certain steps to safeguard the laptop. You must:

- Ensure that the laptop is returned to the country from which it was exported (the United States) within one year
- Ensure that the laptop remains under your "effective control" by keeping it in your physical custody, or placing it in a secure place such as a hotel safe or other place where it will be under lock and key
- Refrain from loading the software contained on the laptop onto other machines; and
- Refrain from loaning the laptop to other persons

If it is anticipated that you will be living in the foreign country longer than a year, and the laptop or software are controlled, then Marathon will apply for an export license on behalf of your business unit.

Any computer taken to a foreign country, either under the TMP or BAG license exceptions may contain preloaded software that contains encryption (i.e., Windows XP, Windows Explorer, Oracle 32 Bit Client, Citrix Program Neighborhood, etc.). However, you are not authorized to take any copies of encryption software that are not preloaded onto your laptop. This means you may not take CD-ROM's or disks with encryption software into a foreign country with the aforementioned review. If you have any questions about what products might contain encryption or if you need to take such CD-ROM's or disks with you, please consult with Raymond Lovorn prior to your scheduled travel date.

It is important to follow these guidelines closely when relocating overseas. Failure to comply with the laws and regulations governing exports could result in monetary fines for you as well as Marathon, loss of Marathon's export privileges, imprisonment, and other sanctions. It is suggested that you carry this letter with you while traveling, as it evidences Marathon's awareness of current export restrictions.

If you have any questions or concerns regarding these regulations or any other export controls issues, please contact us immediately.



Relocation Guide

I. Introduction

Now that you have accepted a transfer, you will have to make many decisions affecting you and your family. The Company recognizes this and wants to make your relocation as easy for you as possible.

How and when you accomplish the relocation is governed by such considerations as job requirements and family needs. You should consult with your management and Human Resources personnel to determine how best to schedule your relocation activities.

It is in your best interest to spend enough time now to understand thoroughly all the provisions and limits of the Relocation Assistance Plan for International Long-Term Assignments to avoid confusion later. The best and easiest moves are those which have been well planned and where all communications are both clear and timely. Your thorough understanding of how the Company will assist you will greatly enhance the relocation process. Questions concerning interpretations and unusual circumstances not addressed in this Guide should be raised early and referred to Marathon's third party relocation provider, Relocation Properties Management (RPM). As a word of caution, don't rely on your previous experience or that of co-workers; the Plan is continuously under review and may have changed since that time.

Our Plan is a very good one, as you'll soon discover through reading this Guide. This assistance, like other employee benefits, is expensive to administer. Therefore, we encourage you to apply initiative, sound judgment and constraint in using all aspects of this Plan.

At the conclusion of your relocation, you are required to complete a Transfer Allowances Expense Report. The reimbursement of expenses and the payment of the relocation allowance, as outlined in this Guide, will occur upon the completion of the transfer. Your transfer is considered complete when you and your family, if applicable, have moved to permanent housing at the new location and Employee Relocation has approved your Transfer Allowances Expense Report. In addition to being contingent upon your completion of the transfer, the reimbursement of expenses is contingent upon your providing the necessary documentation to substantiate your relocation expenses.

All funds provided to you before the approval of the Transfer Allowances Expense Report will be considered transfer allowance advances. You must repay any transfer allowance advances for amounts which are not ultimately approved in the Transfer Allowances Expense Report.

The remainder of this Guide describes, in a general manner, the principal types of assistance the Company provides under the Plan. It is not intended to replace or modify in any way the provisions or interpretations of the Plan. Those provisions and interpretations will control if there is ever any conflict between them and this Guide.

If two or more family members are employed by the Company and are relocated simultaneously, the move is regarded as a single relocation; and policy provisions apply only once. The Relocation Allowance will be based on the salary of the highest-paid employee.

Relocation

This section describes the relocation assistance available to all employees embarking on an international long-term assignment (ILTA).



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- Advance Trip
- Relocation Expense Allowance
- Travel
- Temporary Living Expenses
- Shipment and Storage of Household Goods and Personal Effects
- Sale of Home
- Lease Cancellation
- Auto Sale Allowance Provisions
- Purchase of a home at the international location

For those employees who are taking up their ILTA on a married unaccompanied basis, the following provisions **DO NOT** apply:

- Advance Trip — Since the employee's family will not be relocating and the employee will be provided with furnished accommodation no advance trip is provided.
- Temporary Living — Since furnished accommodation is provided and there is no need to wait for the arrival of household goods, no temporary accommodation should be required. However, should a short period of temporary living be required at the assignment location, the Resident Manager may authorize an exception. Reimbursement will be provided for the same items as described for those on accompanied status.
- Exception — Those on married unaccompanied status are eligible for rental car assistance on arrival at the assignment location while they source and purchase a personal car. Normally, the Resident Manager will approve rental car costs for up to 30 days.
- Sale of Home — Since the employee will be retaining their home, no home sale is provided.

In addition, some of the other provisions will be amended for those employees going on long-term assignment without their families. Details are provided in each section.

For those employees who choose not to sell the home they are living in at the time they accept the international assignment, and who choose to sign the Housing and Utility Deduction Waiver, the following provisions **DO NOT** apply:

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

The employee is eligible for a \$3,000 lump sum payment upon repatriation to assist with their transition back to their primary residence.



II. Relocation Assistance

A. Advance Trip

Purpose

The purpose of an advance trip is to allow the employee and spouse the opportunity to view the assignment location and to make preliminary arrangements for identifying housing, schools, etc.

Eligibility

All employees, including new hires, who have accepted a long-term international assignment are eligible for an advance trip. The Company will reimburse you and your **accompanying** spouse for one advance trip to the new assignment location. If an employee is transferring from one overseas location to another, the advance trip provisions will apply.

Provisions

Reimbursement will be provided for business-class air travel and reasonable meals and lodging for up to **seven** days, excluding travel time. If you are required to make a business trip in advance of taking up the assignment, if possible, it should be arranged to coincide with a spouse's advance trip.

In addition, you will receive assistance for the costs of care for dependent children, elderly parents, an incapacitated spouse, animal care, lawn maintenance, and snow removal during an advance trip that requires you to be away from home at least one night, as follows:

- An allowance up to U.S. \$60 per day for the first dependent child/elderly parent and up to U.S. \$35 per day for each additional dependent child/elderly parent.
- An allowance up to U.S. \$60 per day for care of an incapacitated spouse.
- Animal care — up to \$15 per day, per animal, for up to two animals. (Pets only)
- Lawn maintenance — up to \$35 per week for lawn maintenance when the residence is unoccupied.
- Snow removal — up to \$30 per week for snow removal as needed.

The provider cannot reside in your home. The provider cannot be the parent of the dependent child(ren). You cannot be reimbursed for care that is normally provided while you are working at the home work location. You must submit valid receipts indicating dates, times and cost of services. Reimbursements are taxable expenses to you.



B. Relocation Allowance

Purpose

A lump-sum Relocation Allowance is paid to you to help defray incidental expenses that may occur during the process of relocating to the international assignment location and which are not covered under another expatriate employee provision.

Some typical expenses the Allowance is intended to cover include: auto inspection, auto registration, operator's license fees; purchase of light fixtures, kitchen cabinets, cupboards or wardrobes not provided by the landlord; purchase of clothing appropriate for the new climate; minor redecorating, such as re-cutting of drapes and rugs; cleaning and similar expenses in preparing living quarters for occupancy; for purchase and the plumbing and electrical work for the installation of appliances; tips for moving company personnel (if appropriate at the location); long distance phone calls; internet usage; telephone installation; club fees; utility hook-up charges; personal care items such as diapers, shampoo, etc.; laundry; dry cleaning; fees related to transportation of pets, child care and pet care, lawn maintenance and snow removal not otherwise covered under the advance trip expenses; and any other items not specifically covered under another provision of the Plan.

Eligibility

All employees on Long Term Resident International Assignments are eligible for a Relocation Allowance when they transfer to the host location, regardless of their family status.

Allowance

Employees transferring to a location with unfurnished accommodation will receive one and one-half times their base monthly salary, plus \$2,000 U.S. dollars, capped at \$15,000 U.S. dollars. Employees transferring to locations with furnished accommodation (such as Equatorial Guinea) will receive one times their monthly base salary capped at \$10,000 U.S.

Method of Payment

A Request for Transferee Allowances/New Employee Advances, Form 1550, must be used by you to request an advance the Transfer Allowance to you prior to or after departure. The Transfer Allowance advance payment is recorded as a liability of you to the Company. The necessary steps are taken to eliminate the liability upon settlement of the Transfer Allowance Expense Report (TAER).



C. Travel

Transportation arrangements for the transfer will be reimbursed through the Transfer Allowance Expense Report. Normally, business-class air travel is provided for you and accompanying family members.

If you request other travel arrangements, the Company pays only the equivalent travel expenses which it would normally pay for air travel.

Meals and Lodging

Reasonable expenses for meals and lodging for you and your accompanying family during travel are reimbursed.

Extra Stopovers

If you and your accompanying family wish to make extra personal stopovers en route to the assignment location, you are responsible for the expense incurred.

D. Temporary Living Expenses

Purpose

Employees will require temporary living arrangements on departure from the old location while household goods and personal effects are packed and shipped, and also at arrival at the new location, while your goods are in transit and while you search for accommodation at the new location. Temporary living expenses are designed to reimburse you for the costs associated with these periods of temporary living.

Eligibility

All employees on a long-term international assignment are eligible for temporary living expenses, except those on married unaccompanied status.

Housing

The Company will provide temporary furnished housing for you and your family for the period during which your house at the old location is being packed, and for the period during which your permanent housing is not ready for occupancy when you and your family arrive at the assignment location. Normally, you should take up occupancy when your household goods arrive in the new location.

To cover **both** of these periods, temporary furnished housing is provided for a maximum total of 70 days. Any extension to this will require the approval of the Resident Manager and the Manager, International Human Resources. During these periods the Company will reimburse the cost of the accommodation, including utilities but EXCLUDING long-distance telephone costs.



Food

If your temporary housing does not have facilities for the preparation of meals, the Company will reimburse you for normal meal costs until your family can move into permanent housing.

If your temporary housing does have facilities for the preparation of meals, the Company will reimburse you for normal food costs until permanent housing is secured.

Alternatively, you may request or be asked to receive your C&S (Commodities and Services) allowance instead of receiving reimbursement for food and meal costs. You may request C&S to avoid tracking and claiming expenses. The decision on whether to agree to this request is at the discretion of the Manager, International Human Resources and the Resident Manager. The Company may require you to start receiving C&S instead of reimbursement of expenses in different circumstances, for example, if entry to permanent accommodation is delayed for any reason.

Automobile Rental

Automobile rental is available for a reasonable period (normally up to 30 days) in the country of departure following the sale of personal autos. However, employees on “married unaccompanied” status are NOT eligible for car rental reimbursement prior to travel to the international location.

The Resident Manager at the new assignment location may authorize the rental of an automobile until you (including an employee on “married unaccompanied” status) are able to acquire a car locally. If so, you will be reimbursed for the rental cost, but not fuel. Normally, no more than 30 days of car rental will be reimbursed by the Company.

Non-Reimbursable Items

The Company does not reimburse you for telephone calls, personal items, recreation, and non-business related entertainment during the period of temporary residency.

E. Shipment and Storage of Household Goods and Personal Effects

Purpose

To allow employees to maintain their personal effects and household goods while on an international long-term assignment, the Company will pay to ship such items, with some exceptions, to the new location. In addition, the Company will pay for storage of such items that the employee will not require at the assignment location.

Eligibility

All employees going on international long-term assignment are eligible for shipment and storage of household goods and personal effects.

Exception: those on married unaccompanied status are eligible for a shipment of personal effects only, since they will be maintaining their residence in the home location. In addition, those going on ILTA without their family will not be eligible for any storage assistance.



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Definitions

The following definitions apply to the terms “household goods” and “personal effects.”

- Household Goods: Basic furniture, such as beds, sofas, chairs, tables, stoves, refrigerators, etc.; and other household furnishings, such as linens, pillows, china, kitchenware, small appliances, lamps, rugs, pictures, etc.
- Personal Effects: Wearing apparel and other items of personal use.

Shipment

Household goods and personal effects are shipped by ocean freight to most international locations. All costs of packing, shipping, insurance, custom duties, and unpacking of an employee’s necessary household goods and personal effects to the overseas location are paid by the Company. Household goods and personal effects are shipped by surface unless there are lengthy delays due to customs import restrictions to the employee’s overseas residence.

No specific weight limitation will apply to household goods and unaccompanied personal effects, so long as the quantity is reasonable in relation to the size of the family and the items are necessary for normal living requirements. The Country or Business Unit Manager or the Manager, International Human Resources has the responsibility for determining what are necessary items and what is a reasonable quantity for shipment.

Air Shipment

Household goods and personal effects may be needed in the assignment location prior to the arrival of surface shipment. The Company will therefore pay for the cost of an air shipment, subject to the following restrictions:

	Maximum
Employee	100 lbs. (45 kilos)
Spouse	100 lbs. (45 kilos)
Other Family Member	50 lbs. (23 kilos)
Family Maximum	400 lbs. (882 kilos)

Note for those on married unaccompanied status: your personal effects will be shipped by air freight, with a weight limitation of 1,000 lbs.

Office Items

Employees will likely have some amount of manuals, books, office supplies, pictures, awards, etc. to ship. Office furniture would be rare. Due to limitations in Marathon’s International Logistics Procedures, the employee should make arrangements directly with the personal household goods shipper to move the office items. **DO NOT** use the local Office Administration organization to make arrangements. You may take the office items home to be packed with the personal household goods or they may be packed at the employee’s office location and shipped with the personal household goods. The employee will work with the shipper to coordinate how to handle the pickup at the employee’s office.



Excess Baggage

Accompanied baggage on international flights may be limited. Since the extra charge for additional luggage is very costly, you should make every effort to keep accompanied luggage within the allowable limit. If in doubt about a specific carrier's luggage limits, you should check with the respective airline. The Company will not reimburse any excess baggage charges.

Exclusions

Necessary household goods and personal effects do not include the following items; and although you may elect to have them shipped, any costs or responsibility in connection with the shipping will be borne by you.

- Pets — Local conditions concerning pets vary considerably and should be investigated by the employee before taking them.
- Automobiles and automotive equipment.
- Boats and motors.
- Articles for private enterprise or resale.

If any of the above items are shipped along with the shipment of items considered to be necessary by the Company, the shipping costs will be determined on a precise basis if possible, or if not, on an estimated basis and charged to you.

The Company will not ship or assist in the shipping of the following items:

- Breakable or spoilable foodstuffs
- Firearms or ammunition
- Tobacco, cigars or cigarettes in quantity
- Flammable items, such as paint and lighter fluid
- Liquor

Storage

With the exception of the prohibited items listed above, the Company will pay for storage and insurance on all approved items you wish to store.

Duration of Storage

Storage and insurance charges will be paid for the duration of the international long-term assignment, plus 90 days or when housing is ready for occupancy, whichever occurs sooner.

Shipment of Stored Items

You will be allowed one shipment from the stored items. Thereafter all items will remain in storage until you are repatriated or all items are withdrawn in their entirety.



Transfer to Another International Location

When an employee is transferred from one international location to another, the Company will ship and store household goods and personal effects on the same general basis as it did when the employee transferred from the original location. The weight of the shipment will be limited to the weight of the original shipment, plus the weight of any supplemental shipments, and the number of years spent at the assignment location.

If additional items are required in the new international location because of differing climatic, housing or other conditions, a supplementary shipment from the country of payroll to the new location may be authorized by the Resident Manager in the new location and the International HR Manager.

Claim

MOC is self insured for losses on international shipments and losses that occur when goods are in permanent storage. If a loss occurs, a claim form can be requested from the international forwarder who handled your shipment. The claim form must be filed within six (6) months of the date of the loss. Claim settlement for loss or damage to household goods is limited to \$10.00 per pound per article unless specific articles are identified and described by you on the Insurance Inventory Form that you complete prior to shipment or storage and supported with proper documentation (i.e., appraisals, pictures, videos, receipts, and/or proof by documentation). This documentation should be maintained by you and must be presented with the claim in order to receive more than \$10 per pound per article.

F. Sale of Home

All employees on a long-term international assignment may elect to sell their homes upon transfer or at any time during their assignment prior to notification of repatriation.

The Company will provide assistance to those employees who elect to sell their homes via the appropriate country of payroll domestic relocation policy for that employee. For those classified as Third Country National employees, the terms of the U.S. domestic relocation policy relating to home sale will apply.

If the U.S. is your appropriate country of payroll and you are selling your home, refer to the “Home Sale Assistance” section in this Guide.

Retention of Home

If you decide to retain ownership of your home and, upon repatriation are assigned to a location other than that in which the home is located, the employee can utilize the sale and purchase provisions of the applicable relocation policy. If the applicable relocation policy is the U.S. domestic relocation policy, refer to the “Home Sale Assistance” and “Home Purchase Assistance” sections in this Guide.

If the employee retains ownership of his or her home and is repatriated to that location, he or she would not be entitled to any of the sale and purchase provisions of the applicable relocation policy relating to home purchase and sale.



G. Lease Cancellation

If you are a renter, the Company will reimburse you any documented lease cancellation expenses you may incur as a result of the move. In some instances, landlords will impose little or no penalty once they are assured you are being transferred by your employer.

Lease cancellation expenses may include such items as deposits forfeited under lease terms, additional rental payments required to effect cancellation, necessary legal fees, etc.

The Company will not assume any responsibility for damages due to normal wear and tear of the property.

Where deposits are returned you, these must be repaid to the Company in cases where the Company reimbursed you for the original deposit.

H. Automobile Sale Allowance Provisions

Purpose

Employees relocating to an international location generally have one or two 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 car(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.

Employee Eligibility

All employees relocating due to a long-term resident international assignment are eligible except those transferring between the US and Canada. Those who are accompanied by their family will receive reimbursement as described below for up to two vehicles, those on married unaccompanied status will receive reimbursement as described below for a maximum of one vehicle.

Automobile Eligibility

You must document the sale of the automobile(s). The sale must be completed after you have been advised of the transfer and within 90 days of the effective date of relocation. The automobile must be owned or leased by you, 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 you choose to donate your 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 as is supported by a 501c(3) receipt. In the U.K., the charity must be a registered charitable organization and be recognized as such by the Inland Revenue. For other locations, the International HR Manager will research the charity and make a determination on whether the policy will apply or not.



Benefits Provided

You will receive a U.S. \$3,000 lump sum payment for each automobile sold up to a maximum of two cars. Up to U.S. \$3,000 of lease cancellation expenses will be paid to you for each lease canceled as a result of the transfer. The amount paid will be subject to Tax Equalization protection. In no situation will benefits exceed U.S. \$6,000 (or U.S. \$3,000 in the case of an employee on “married unaccompanied” status) for each international relocation.

Exclusions

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

I. Purchase of a Home at the International Location

The Company will not provide assistance to you if you 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 your international assignment.

III. Repatriation

There are several reasons for an employee repatriating following a long-term international assignment, and the assistance provided by the Company depends on the circumstances of the repatriation.

Reasons for repatriation are:

1. To move to a new position in the country of payroll
2. Voluntary termination
3. Involuntary termination — redundancy
4. Involuntary termination — with cause
5. Retirement

The assistance provided to the employee, depending on the reason for repatriation, is listed below. Further details follow for each reason for repatriation:

- Relocation Expense Allowance
- Travel
- Temporary Living Expenses
- Shipment and Storage of Household Goods and Personal Effects
- Home Sale/Purchase
- Lease Cancellation
- Mortgage Interest Rate Subsidy
- Auto Sale Allowance Provisions



A. Repatriation — To Return to a New Position

Relocation Expense Allowance

Employees in this category are eligible for a relocation allowance of 1.5 times the employee's monthly salary, plus U.S. \$2,000, with a maximum allowance not to exceed U.S. \$15,000, except for employees on married unaccompanied status are not eligible.

Travel

Transportation arrangements will be reimbursed through the Transfer Allowance Expense Report. Normally, business-class air travel is provided for you and accompanying family members. Reasonable expenses for meals and lodging during travel for you and dependents resident at the overseas assignment location are reimbursed through the Transfer Allowance Expense Report.

If you and/or dependents resident at the overseas assignment location wish to make extra personal stopovers en route to the new location, none of the additional costs incurred will be reimbursed by the Company.

If you and dependents resident at the overseas assignment location request other travel arrangements, the Company pays only the equivalent travel expenses which it would normally pay for air travel.

Temporary Living Expenses

(Note: Employees on “married unaccompanied” status are not eligible for temporary living upon repatriation (except as noted below regarding automobile rental in the country of departure) as they receive furnished rented accommodation at the international location, and will be returning to their family home.)

The Company will provide temporary furnished housing for you and your family for the period during which your house at the overseas assignment location is being packed, and for the period during which your permanent housing is not ready for occupancy when you and your family arrive at the new location. Normally, you should take up occupancy when your household goods arrive. Employees on married unaccompanied assignment or those who have signed the H&U Deduction Waiver are not eligible for temporary living in the home location.

To cover both of these periods, temporary furnished housing will normally be approved for a maximum total of 70 days except for transfers between the U.S. and Canada where a maximum of 45 days is provided. Any extension to this will require the approval of International Human Resources.

During these periods the Company will reimburse the cost of the accommodation, including utilities but EXCLUDING long distance telephone costs.

If the temporary housing does not have facilities for the preparation of meals, the Company will reimburse you for normal meal costs until your family can move into permanent housing.

If the temporary housing does have facilities for the preparation of meals, the Company will reimburse you for normal food costs until permanent housing is secured.



Automobile rental is available for a reasonable period (normally up to 30 days) in the county of departure following the sale of personal autos. **Note:** This is also available to employees on “married unaccompanied” status.

On arrival at the new location, the local manager may authorize the rental of an automobile until you are able to acquire a car locally. If so, you will be reimbursed for the rental cost, but not fuel. Normally, no more than 30 days of rental will be reimbursed by the Company. **Note: This automobile rental is NOT available to employees on “married unaccompanied” status.**

The Company does not reimburse you for telephone calls, personal items, recreation, and non-business related entertainment during the period of temporary residency.

Shipment and Storage of Household Goods and Personal Effects

- **Storage**

The Company will continue to pay for items in storage for a period of 90 days after the actual date of repatriation. This applies to storage held in the home and overseas locations.

- **Shipment**

The Company will pay all reasonable costs of shipping your household goods and personal effects when you are repatriated to your home country. This includes the removal of stored items which were not shipped overseas, and items stored in the overseas location.

The Company will cover the cost of packing, moving, and unpacking household goods and personal effects for a second move at the new location provided that the residence is designated as temporary by the employee at the time of the first move and the second move takes place within twelve months of the original move into the temporary residence. To qualify, you must designate to the Employee Relocation Office the first residence as temporary when you move into it.

The weight of the return shipment should not greatly exceed the weight originally shipped overseas. The weight limit of the return shipment will be based on the initial shipment, supplemental shipments and the number of years overseas.

You should maintain an up-to-date inventory of household goods and personal effects while overseas until repatriation.

All shipment restrictions applicable to the initial shipment are also applicable to the return shipment.

- **Office Items**

Employees will likely have some amount of manuals, books, office supplies, pictures, awards, etc. to ship. Office furniture would be rare. Due to limitations in Marathon’s International Logistics Procedures, the employee should make arrangements directly with the personal household goods shipper to move the office items. **DO NOT** use the local Office Administration organization to make arrangements. You may take the office items home to be packed with the personal household goods or they may be packed at the employee’s office location and shipped with the personal household goods. The employee will work with the shipper to coordinate how to handle the pickup at the employee’s office.



- **Claims**

MOC is self insured for losses on international shipments and losses that occur when goods are in permanent storage. If a loss occurs, a claim form can be requested from the international forwarder who handled your shipment. The claim form must be filed within six (6) months of the date of the loss. Claim settlement for loss or damage to household goods is limited to \$10.00 per pound per article unless specific articles are identified and described by you on the Insurance Inventory Form that you complete prior to shipment or storage and supported with proper documentation (i.e., appraisals, pictures, videos, receipts, and/or proof by documentation). This documentation should be maintained by you and must be presented with the claim in order to receive more than \$10 per pound per article.

Home Sale/Purchase

If you purchased a home overseas, the Company will not provide assistance nor assume any responsibility in connection with the disposal of the property at the conclusion of your overseas assignment.

If you retained ownership of your home in the country of payroll, and upon repatriation are assigned to a location other than that in which the home is located, you can utilize the sale and purchase provisions of your applicable relocation policy. If you are returning to the U.S. as your country of payroll, refer to the “Home Sale Assistance” and “Home Purchase Assistance” sections in the this Guide.

If you retained ownership of your home and are repatriated to that location, you would not be entitled to any of the sale and purchase provisions of the applicable relocation policy relating to home purchase and sale.

If you sold your home during your long-term international assignment and you are eligible to purchase a home upon repatriation, you can utilize the home purchase provisions of your applicable relocation policy. If you are returning to the U.S. as your country of payroll, refer to the “Home Purchase Assistance” section in this Guide.

Mortgage Interest Rate Subsidy

The Mortgage Interest Rate Subsidy will be calculated using the average currency exchange rate for the 30-day period immediately preceding the effective date of application for the loan and/or subsidy. Please refer to attachment on MIRS.

Lease Cancellation

When you are repatriated to your home location, the Company will assume any documented lease cancellation expenses you may incur as a result of the move. Lease cancellation expenses may include such items as deposits forfeited under lease terms, additional rental payments required to effect cancellation, necessary legal fees, etc.

The Company will not assume any responsibility for damages due to normal wear and tear of the property.

Where deposits are returned to you, these must be repaid to the Company in cases where the Company reimbursed you for the original deposit.



Automobile Sale Allowance Provisions

- **Purpose**

When repatriating, employees generally have one or two personal automobile(s) that they wish to dispose of. It is recognized that some repatriations take place in a relatively short period of time, and the employee may not be able to obtain the best possible price for their car(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 repatriation. In the case of an employee on a “married unaccompanied” status, payment is limited to one vehicle.

- **Employee Eligibility**

All employees repatriating to another job in a different location following a long-term international assignment requiring an international relocation are eligible.

- **Automobile Eligibility**

You must document the sale of the automobile(s). The sale must be completed after you have been advised of the repatriation and within 90 days of the effective date of repatriation. The automobile must be owned or leased by you or a recognized dependent of your family moving to the new location and have valid registration and tags.

Should you choose to donate your 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 as is supported by a 501c(3) receipt. In the U.K., the charity must be a registered charitable organization and be recognized as such by the Inland Revenue. For other locations, the International HR Manager will research the charity and make a determination on whether the policy will apply or not.

- **Benefits Provided**

The eligible employee will receive a U.S. \$3,000 lump sum payment for each automobile sold up to a maximum of two cars (or, in the case of an employee on a “married unaccompanied” status, limited to one car). Up to U.S. \$3,000 of lease cancellation expenses will be paid to the eligible employee for each lease canceled as a result of the repatriation. The amount paid will be subject to Tax Equalization protection. In no situation will benefits exceed U.S. \$6,000 (or \$3,000 in the case of an employee on a “married unaccompanied” status) for each international repatriation.

- **Exclusions**

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



B. Repatriation for Expatriate Assigned Employees — Voluntary Termination

Relocation Expense Allowance

Expatriate employees in this category are not eligible for any relocation expense allowance.

Travel

Employees in this category are eligible for economy class air transportation for the employee and dependents resident at the overseas 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

No temporary living expenses are provided to employees in this category.

Shipment and Storage of Household Goods and Personal Effects

- **Storage**

With effect from the date of voluntary termination, the Company is not responsible for the cost of storing any of the employee's household goods and personal effects, except as may be necessary to prepare the goods for shipment to the nearest port of entry in the home country.

- **Shipment**

If you voluntarily terminate employment while assigned overseas, the Company will ship household goods and personal effects to the nearest home country port of entry within six months from the effective date of termination.

The weight of the return shipment should not greatly exceed the weight originally shipped overseas. The weight limit of the return shipment will be based on the initial shipment, supplemental shipments and the number of years overseas.

All shipment restrictions applicable to the initial shipment are also applicable to the return shipment.

If you have not elected to have household goods and personal effects shipped to the home country within six months from the effective date of termination, the Company is relieved of any further obligation.

Home Sale/Purchase

You will receive no assistance from the Company for home sale or purchase.

Lease Cancellation

Lease cancellation fees will not be reimbursed for employees in this category, nor will the Company assume responsibility for wear and tear to the rental property. Any deposit paid by the Company at the commencement of the lease must be repaid to the Company.



Automobile Sale Allowance Policy

No assistance will be provided to employees who voluntarily terminate their employment.

C. Repatriation — Involuntary Termination — Redundancy

Does not apply to employees who have obtained a Permanent Residence Visa (PRV) or U.S. green card holders.

Relocation Expense Allowance

(Note: This provision does not apply to an employee on a “married unaccompanied” status since it is assumed they will be returning to their family home.)

Employees (other than an employee on a “married unaccompanied” status) in this category are eligible for a relocation allowance of 1.5 times the employee’s monthly salary, plus U.S. \$2,000 with a maximum allowance not to exceed U.S. \$15,000.

Travel

Employees in this category are eligible for business class air transportation for the employee and family to their point of destination or to their point of origin, whichever is less.

If the employee and family do not wish to depart from the overseas assignment location, the equivalent of a business class air transportation fare to their point-of-origin in their country of payroll will be paid for the employee and each dependent resident. The employee will be required to sign a statement releasing the Company from any further transportation obligation.

Temporary Living Expenses

Note: This provision does not apply to an employee on a “married unaccompanied” status since it is assumed they will be returning to their family home.

Employees (other than an employee on a “married unaccompanied” status) in this category will receive a lump sum \$3,000 cash payment for all temporary living and car rental expenses. This will cover expenses after departing the overseas location. This benefit is subject to tax equalization.

Shipment and Storage of Household Goods and Personal Effects

- **Storage**

Storage for household goods and personal effects will be paid by the Company for 90 days following the effective date of termination. This applies to storage both in the assignment country and home country. This benefit is subject to tax equalization.

- **Shipment**

The Company will ship your household goods and personal effects (including items stored both in the home and assignment location) to your point of origin or point of destination in the country of payroll, whichever is less, within six months of the effective date of termination.



If you have not elected to have household goods and personal effects shipped to the home country within that six month period the Company is relieved of any further obligation.

The weight of the return shipment should not greatly exceed the weight originally shipped overseas. The weight limit of the return shipment will be based on the initial shipment, supplemental shipments and the number of years overseas.

All shipment restrictions applicable to the initial shipment are also applicable to the return shipment.

Home Sale/Purchase

If you purchased a home overseas, 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 overseas assignment.

For an employee on a "married unaccompanied" status, since the employee will be repatriated to the location of their family home, no home sale/purchase provisions will apply.

For all others, if you retained ownership of your home in the country of payroll and upon repatriation move to a location other than that in which the home is located, you can utilize the sale and purchase provisions of your applicable relocation policy. If you are returning to the U.S. as your country of payroll, refer to the "Home Sale Assistance" and "Home Purchase Assistance" sections in this Guide.

If you retained ownership of your home and return to that location, you would not be entitled to any of the sale and purchase provisions of the applicable relocation policy relating to home purchase and sale.

Mortgage Interest Rate Subsidy

The Mortgage Interest Rate Subsidy will be calculated using the average currency exchange rate for the 30-day period immediately preceding the effective date of application for the loan and/or subsidy. Please refer to attachment on MIRS.

Lease Cancellation

When you are repatriated to your home location, the Company will assume any documented lease cancellation expenses you may incur as a result of the move. Lease cancellation expenses may include such items as deposits forfeited under lease terms, additional rental payments required to effect cancellation, necessary legal fees, etc.

The Company will not assume any responsibility for damages due to normal wear and tear of the property.

Where deposits are returned to you, these must be repaid to the Company in cases where the Company reimbursed you for the original deposit.



Automobile Sale Allowance Provisions

- **Purpose**

When repatriating, employees generally have one or two personal automobile(s) that they wish to dispose of. It is recognized that some repatriations take place in a relatively short period of time, and the employee may not be able to obtain the best possible price for their car(s).

The Company will therefore provide a cash payment to the employee for up to two vehicles (or, in the case of an employee on a “married unaccompanied” status, payment is limited to one vehicle) that the employee sells in conjunction with an international repatriation.

- **Employee Eligibility**

All employees repatriating due to involuntary termination following a long-term international assignment requiring an international repatriation are eligible.

- **Automobile Eligibility**

You must document the sale of the automobile(s). The sale must be completed after you have been advised of the repatriation and within 90 days of the effective date of repatriation. The automobile(s) must be owned or leased by you or a recognized dependent of your family moving to the new location and have valid registration and tags.

Should you choose to donate your 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 as is supported by a 501c(3) receipt. In the U.K., the charity must be a registered charitable organization and be recognized as such by the Inland Revenue. For other locations, the International HR Manager will research the charity and make a determination on whether the policy will apply or not.

- **Benefits Provided**

You will receive a U.S. \$3,000 lump sum payment for each automobile sold up to a maximum of two cars. Up to U.S. \$3,000 of lease cancellation expenses will be paid to you for each lease canceled as a result of the repatriation. The amount paid will be subject to Tax Equalization protection. In no situation will benefits exceed U.S. \$6,000 (or \$3,000 in the case of an employee on a “married unaccompanied” status) for each international repatriation.

- **Exclusions**

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



D. Repatriation — Involuntary Termination — With Cause

Does not apply to employees who have obtained a Permanent Residence Visa (PRV) or U.S. green card holders.

Relocation Expense Allowance

Employees in this category are not eligible for any relocation expense allowance.

Travel

Employees in this category are eligible for economy class air transportation for the employee and dependents resident at the overseas 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.*

If the employee and family do not wish to depart from the overseas assignment location, the equivalent of an economy class air transportation fare to their point of origin in their country of payroll will be paid for each member of the family. The employee will be required to sign a statement releasing the Company from any further transportation obligation.

Temporary Living Expenses

No temporary living expenses are provided to employees in this category.

Shipment and Storage of Household Goods and Personal Effects

- **Storage**

With effect from the date of termination, the Company is not responsible for the cost of storing any of the employee's household goods and personal effects, except as may be necessary to prepare the goods for shipment to the nearest home country port of entry.

- **Shipment**

The Company will ship household goods and personal effects to the nearest home country port of entry within six months from the effective date of termination.

The weight of the return shipment should not greatly exceed the weight originally shipped overseas. The weight limit of the return shipment will be based on the initial shipment, supplemental shipments and the number of years overseas.

All shipment restrictions applicable to the initial shipment are also applicable to the return shipment.

If you have not elected to have household goods and personal effects shipped to the home country within six months from the effective date of termination, the Company is relieved of any further obligation.

Home Sale/Purchase

You will receive no assistance from the Company for home sale or purchase.



Lease Cancellation

Lease cancellation fees will not be reimbursed for employees in this category, nor will the Company assume responsibility for wear and tear to the rental property. Any deposit paid by the Company at the commencement of the lease must be repaid to the Company.

Automobile Sale Allowance Policy

Employees in this category are not eligible for any assistance in the sale of automobiles.

E. Repatriation — Retirement

Does not apply to employees who have obtained a Permanent Residence Visa (PRV) or U.S. green card holders.

IMPORTANT NOTES FOR RETIREMENTS FROM AN OVERSEAS ASSIGNMENT

Employees should give the Company 90 days' notice of their intent to retire. During the first 30 days, the employee must notify the Company if they wish to be repatriated to their home country (or, in the case of an employee on "married unaccompanied" status, to their country of payroll). Repatriation must occur within 90 days after retirement. If the employee elects not to be repatriated, the Company will be relieved of any further obligation to repatriate the employee.

Relocation Expense Allowance

Note: Employees on "married unaccompanied" status are not eligible for a relocation allowance on repatriation.

All other employees in this category are eligible for a relocation allowance of 1.5 times the employee's monthly salary, plus U.S. \$2,000 with a maximum allowance not to exceed U.S. \$15,000.

Travel

Employees in this category are eligible for business class air transportation for the employee and dependents resident at the overseas assignment location to their point of destination or to their point of origin, whichever is less.

If the employee and dependents resident at the overseas assignment location do not wish to return to their home country, the equivalent of a business class air transportation fare to the nearest port-of-entry in their home country (or, in the case of an employee on a "married unaccompanied" status, to the point-of-origin) will be paid for each member of the family. The employee will be required to sign a statement releasing the Company from any further transportation obligation.

Temporary Living Expenses

Employees on "married unaccompanied" status are not eligible for temporary living expenses as it is assumed they have maintained a home and will return to it. Accompanied or single status employees who did not sign the H&U Deduction Waiver will receive a \$3,000 lump sum payment for all temporary living and transportation expenses. Employees who have signed the H&U Deduction Waiver will receive a \$3,000 transition allowance as per the H&U Waiver terms.



Shipment and Storage of Household Goods and Personal Effects

- **Storage**

Storage for household goods and personal effects will be paid by the Company for 90 days following the effective date of retirement. This applies to storage both in the assignment country and home country. This benefit is subject to tax equalization.

- **Shipment**

The Company will ship your household goods and personal effects (including items stored both in the home and assignment location) to your point of origin or point of destination in the home country, whichever is less, within six months of the effective date of retirement.

The weight of the return shipment should not greatly exceed the weight originally shipped overseas. The weight limit of the return shipment will be based on the initial shipment, supplemental shipments and the number of years overseas.

All shipment restrictions applicable to the initial shipment are also applicable to the return shipment.

If you have not elected to have household goods and personal effects shipped to the home country within that six month period the Company is relieved of any further obligation.

Home Sale/Purchase

Note: Home sale/purchase provisions do not apply to employees on “married unaccompanied” status.

If you purchased a home overseas, the Company will not provide assistance nor assume any responsibility in connection with the disposal of the property at the conclusion of the your overseas assignment.

If you retain ownership of your home in the country of payroll and retire, you would not be entitled to any of the sale and purchase provisions of the applicable relocation policy relating to home sale and purchase.

If you did not retain your home in the country of payroll and retire, you would be eligible for the purchase provisions of your applicable relocation policy. If you are returning to the U.S. as your country of payroll, refer to the “Home Purchase Assistance” section in this Guide.

Mortgage Interest Rate Subsidy

The Mortgage Interest Rate Subsidy will be calculated using the average currency exchange rate for the 30-day period immediately preceding the effective date of application for the loan and/or subsidy. Please refer to attachment on MIRS.

Lease Cancellation

When you are repatriated to your home location, the Company will assume any documented lease cancellation expenses you may incur as a result of the move.

Lease cancellation expenses may include such items as deposits forfeited under lease terms, additional rental payments required to effect cancellation, necessary legal fees, etc.



The Company will not assume any responsibility for damages due to normal wear and tear of the property

Where deposits are returned to the employee, these must be repaid to the Company in cases where the Company reimbursed the employee for the original deposit.

Automobile Sale Allowance Provisions

- **Purpose**

When repatriating, employees generally have one or two personal automobile(s) that they wish to dispose of. It is recognized that some repatriations take place in a relatively short period of time, and the employee may not be able to obtain the best possible price for their car(s).

The Company will therefore provide a cash payment to the employee for up to two vehicles (or, in the case of an employee on a “married unaccompanied” status, payment is limited to one vehicle) that the employee sells in conjunction with an international repatriation.

- **Employee Eligibility**

All employees repatriating due to retirement following a long-term international assignment requiring an international repatriation are eligible.

- **Automobile Eligibility**

You must document the sale of the automobile(s). The sale must be completed after you have been advised of the repatriation and within 90 days of the effective date of repatriation. The automobile must be owned or leased by you or a recognized dependent of your family moving to the new location and have valid registration and tags.

Should you choose to donate your 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 as is supported by a 501c(3) receipt. In the U.K., the charity must be a registered charitable organization and be recognized as such by the Inland Revenue. For other locations, the International HR Manager will research the charity and make a determination on whether the policy will apply or not.

- **Benefits Provided**

You will receive a U.S. \$3,000 lump sum payment for each automobile sold up to a maximum of two cars. Up to U.S. \$3,000 of lease cancellation expenses will be paid to you for each lease canceled as a result of the repatriation. The amount paid will be subject to Tax Equalization protection. In no situation will benefits exceed U.S. \$6,000 (or \$3,000 in the case of an employee on a “married unaccompanied” status) for each international repatriation.

- **Exclusions**

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



IV. Taxes

A. Expatriates and Repatriates

When applicable, the following relocation provisions will qualify for U.S. tax protection:

- Advance Trip Expenses
- Automobile Sale Allowance
- Home Loss on Sale
- Lease Cancellation
- Meals In- Transit
- Temporary Living Expenses
- Relocation Allowance
- Home Purchase Costs, excluding loan origination fees & discount points

U.S. Tax protection will either be in the form of a tax advance or tax allowance (i.e., gross-up), depending on the individual circumstances of the employee. Any U.S. tax advances will be settled via the Tax Settlement Calculation prepared by the Company-approved tax provider.

When applicable, U.S. Tax on the following relocation provisions will be the responsibility of the employee:

- Home Site Expenses (excluding advance trips)
- Home Sale Bonus
- Mortgage Interest Rate Subsidy
- Loan Origination Fees upon Home Purchase
- Discount Points upon Home Purchase

The Company will pay any applicable host location tax on all relocation provisions.

B. Reclassification to U.S. Payroll

When applicable, the following relocation provisions will qualify for U.S. tax protection:

- Home Sale Provisions
- Lease Cancellation
- Meals In Transit
- Temporary Living Expenses
- Relocation Allowance
- Home Purchase Costs, excluding loan origination fees & discount points



U.S. Tax Protection will either be in the form of a tax advance or tax allowance (i.e., gross-up), depending on the individual circumstances of the employee. Any U.S. tax advances will be settled via the Tax Settlement Calculation prepared by the Company-approved tax provider.

When applicable, U.S. Tax on the following relocation provisions will be the responsibility of the employee:

- Mortgage Interest Rate Subsidy
- Loan Origination Fees upon Home Purchase
- Discount Points upon Home Purchase

The Company will pay any home country tax as per the country of payroll Relocation Policy or Transfer Allowances Plan.

V. Reclassification to U.S. Payroll

When a Third Country National Employee or International Expatriate Employee is assigned to the U.S., reclassification to the U.S. payroll may result in some cases. Additionally when a Third Country National is assigned to the U.S., TCN terms and conditions of employment will be impacted irrespective of reclassification. Details of these provisions are described in this section as follows:

- TCN assignment to the U.S. and reclassification to a U.S. domestic employee
- International Expatriate reclassification to U.S. payroll and U.S. domestic employee status

A. TCN Assignment to the U.S. and Reclassification to a U.S. Domestic Employee

Transfer Allowances Plan Upon Reclassification

If, as a result of reclassification of employee status from TCN to U.S. national, the employee who is living in rental housing elects to purchase and/or move to alternative rental housing within one year following the date of employee reclassification, the following provisions of the U.S. Transfer Allowances Plan will apply provided that the employee is not subject to relocation at the time of reclassification:

- Moving expenses
- Home Purchase Costs
- Mortgage Interest Rate Subsidy
- Lease Cancellation
- Relocation Allowance

All other provisions of the U.S. Transfer Allowances Plan, which are based on prior home ownership, will not apply as the employee has been in rental housing per the expatriate policy.

Since the TCN employee is subject to the expatriate Tax Policy, taxes associated with the Transfer Allowances Plan will be reimbursed under the same provisions as apply to a U.S. expatriate when reassigned to the United States.



The employee who purchases permanent housing prior to reclassification will not be eligible for any Transfer Allowances Plan assistance unless subject to relocation.

Mortgage Interest Rate Subsidy

The Mortgage Interest Rate Subsidy will be calculated using the average currency exchange rate for the 30-day period immediately preceding the effective date of application for the loan and/or subsidy. Please refer to attachment on MIRS.

B. International Expatriate Reclassification to U.S. Payroll and U.S. Domestic Employee Status

Transfer Allowances Plan Upon Reclassification

Upon reclassification, an employee who is living in rental housing and elects to purchase and/or move to alternative rented housing within one year following the date of employee reclassification, will be eligible for the following provisions of the U.S. Transfer Allowances Plan provided that the employee is not subject to relocation at the time of reclassification:

- Home Purchase Costs
- Mortgage Interest Rate Subsidy*
- Moving Expenses
- Relocation Allowance
- Tax Allowance

* The Mortgage Interest Rate Subsidy will be calculated using the average currency exchange rate for the 30-day period immediately preceding the effective date of application for the loan and/or subsidy. Please refer to attachment on MIRS.

If an employee purchased permanent housing prior to reclassification, they will not be eligible for any U.S. Transfer Allowances Plan assistance unless subject to reclassification.

Disposal of Home

If you own a home in your home country upon reclassification, you will be eligible for disposal of home (home sale provisions) available under your country of payroll Transfer Allowance or Relocation Plan.



VI. Transfer Allowance Advances

A. Advance Procedures for U.S. Expatriates

You may need funds in advance of the final settlement to cover some of the expenses you will incur during the transfer. If so, you should complete the advance request, Form 1550, Request for Transferee Allowances/New Employee Advances, to arrange for such an advance. Instructions are included on the form. Keep in mind that you will be responsible for returning to the Company all advanced funds for which supporting documentation as reimbursable relocation expenses are not provided to and approved by the Company. The following funds may be advanced at 100%:

- The Relocation Allowance, travel, advance trip, temporary living expenses, lease cancellation fees, selling costs, loss-on-sale reimbursement, auto sale allowance and home sale bonus.

B. Advance Procedures for Repatriates to the U.S.

You may need funds in advance of the final settlement to cover some of the expenses you will incur during the transfer. If so, you should complete the advance request, Form 1550, Request for Transferee Allowances/New Employee Advances, to arrange for such an advance. Instructions are included on the form. Keep in mind that you will be responsible for returning to the Company all advanced funds for which supporting documentation as reimbursable relocation expenses are not provided to and approved by the Company. The following funds may be advanced at 100%:

- The Relocation Allowance, travel, temporary living expenses, lease cancellation fees, auto sale allowance, home purchase costs, loan origination fees, discount points, home sale bonus and mortgage interest rate subsidy.

Note, however, that there will be no advance for home purchase costs when a national mortgage lender provided by RPM direct bills RPM for home purchase costs.

C. Advance Procedures for Reclassifications to the U.S. Payroll

You may need funds in advance of the final settlement to cover some of the expenses you will incur during the transfer. If so, you should complete the advance request, Form 1550, Request for Transferee Allowances/New Employee Advances, to arrange for such an advance. Instructions are included on the form. Keep in mind that you will be responsible for returning to the Company all advanced funds for which supporting documentation as reimbursable relocation expenses are not provided to and approved by the Company. The following guidelines will be used when issuing advances:

- The Relocation Allowance — 100%
- Temporary living expenses, lease cancellation fees, purchase costs, other than loan origination fees and discount points — 90%
- Loan origination fees, discount points, and mortgage interest rate subsidy — 50%
- No advance for home purchase costs when a national mortgage lender provided by RPM direct bills RPM for home purchase costs.



VII. Settlement Procedures

IMPORTANT NOTE: If you use your corporate credit card, do not allow relocation expenses to be paid through expense express. Relocation expenses should be categorized as “relocation” and then submitted for reimbursement on the transfer allowance expense report. For further instructions on the use of the corporate credit card when charging relocation expenses, please refer in the relocation packet to the document titled “express expense instructions for filing relocation expenses charged on GE capital card.”

A. Settlement Procedures for U.S. Expatriates

At the conclusion of your move, you must complete a Transfer Allowances Expense Report (TAER) and provide supporting documentation in order to be eligible for reimbursement of expenses which are covered. The completed report and documentation should be forwarded to RPM for approval and payment. You will be notified of any changes. You will receive a summary of the expenses. Any monies due you will be in your next available paycheck.

Requests for reimbursements submitted in accordance with the settlement procedures must be paid no later than the last day of the calendar year following the calendar year in which the expense was incurred. In the event that an employee does not complete their move within the initial 12-month period following transfer, an interim report and a final report are to be filed in accordance with the Plan’s normal settlement procedures so that all expenses are reported and reimbursements made no later than the last day of the calendar year following the calendar year in which an expense is incurred.

For reimbursements that occur as a result of an employee’s separation from service, expenses must be incurred no later than the last day of the second calendar year following the calendar year in which the separation from service occurred, and must be reimbursed no later than the last day of the third calendar year following the calendar year in which the separation from service occurred.

A few simple guidelines will greatly facilitate your completion of this report.

1. Travel, Advance Trip, and Temporary Living

Receipts are required for all lodging expenses, meal expenses, (exceeding \$25 per meal), and commercial transportation, including airfare, car rental, etc., whether they were paid by you or the Company. As a general rule, it is advisable to keep all receipts; unnecessary ones can be discarded at time of settlement.

2. Home Selling Costs

All items submitted for reimbursement must be documented. A closing statement will usually document the reimbursable expenses.

3. Lease Cancellation

A statement from your landlord supporting the reimbursable amount must be provided.



4. Loss on Home Sale

If you are eligible for loss-on-sale reimbursement, you will need the following items of documentation:

- a. Evidence to support your purchase price (plus any eligible capital improvements, and
- b. Documentation to support the current sales price.

5. Home Sale Bonus

If you are eligible for a home sale bonus, supporting documentation will be needed to support the sales price.

6. Auto Sale Allowance

Documentation of the sale of up to two (or in the case of an employee on “married unaccompanied status, the sale of one) automobiles are required. You should provide proof of ownership or lease agreement as well as legal proof of sale. Acceptable documentation may include a copy of title indicating ownership or copy of the lease agreement and a bill of sale from a dealership, a cancelled lease agreement, or a 501c(3) receipt from a charity.

7. Daily Record

A daily record of all expenses should be submitted with your Transfer Allowances Expense Report.

B. Settlement Procedures for Repatriates to the U.S.

At the conclusion of your move, you must complete a Transfer Allowances Expense Report, and provide supporting documentation in order to be eligible for reimbursement of expenses which are covered. The completed report and documentation should be forwarded to RPM for approval and payment. You will be notified of any changes. You will receive a summary of the expenses. Any monies due you will be in your next available paycheck.

Requests for reimbursements submitted in accordance with the settlement procedures must be paid no later than the last day of the calendar year following the calendar year in which the expense was incurred. In the event that an employee does not complete their move within the initial 12-month period following transfer, an interim report and a final report are to be filed in accordance with the Plan’s normal settlement procedures so that all expenses are reported and reimbursements made no later than the last day of the calendar year following the calendar year in which an expense is incurred.

For reimbursements that occur as a result of an employee’s separation from service, expenses must be incurred no later than the last day of the second calendar year following the calendar year in which the separation from service occurred, and must be reimbursed no later than the last day of the third calendar year following the calendar year in which the separation from service occurred.

A few simple guidelines will greatly facilitate your completion of this report.



1. Travel and Temporary Living

Receipts are required for all lodging expenses, meal expenses, (exceeding \$25 per meal), and commercial transportation, including airfare, car rental, etc., whether they were paid by you or the Company. As a general rule, it is advisable to keep all receipts; unnecessary ones can be discarded at time of settlement.

2. Lease Cancellation

A statement from your landlord supporting the reimbursable amount must be provided.

3. Home Purchase Costs

All items submitted for reimbursement must be documented. A closing statement will usually document the reimbursable expenses.

4. Mortgage Interest Rate Subsidy

If you are eligible for a mortgage interest rate subsidy, you will need the following items of documentation:

- a. Evidence to support both the old and new interest rates and type of financing,
- b. Supporting documentation of new home purchase price, and
- c. Documentation to support the equity in your old home.

5. Auto Sale Allowance

Documentation for the sale of up to two (or in the case of an employee on “married unaccompanied” status, the sale of one) automobiles are required. You should provide proof of ownership or lease agreement as well as legal proof of sale. Acceptable documentation may include a copy of title indicating ownership or copy of the lease agreement and a bill of sale from a dealership, a cancelled lease agreement, or a 501c(3) receipt from a charity.

6. Daily Record

A daily record of all expenses should be submitted with your Transfer Allowances Expense Report.

C. Settlement Procedures for Reclassifications to the U.S. Payroll

At the conclusion of your move, you must complete a Transfer Allowances Expense Report, and provide supporting documentation in order to be eligible for reimbursement of expenses which are covered. The completed report and documentation should be forwarded to RPM for approval and payment. You will be notified of any changes. You will receive a summary of the expenses. Any monies due you will be in your next available paycheck.

If your effective date of transfer is between January through November, your report must be submitted no later than October 1 of the year following the year of transfer. If your effective date of transfer is in December, your report must be submitted no later than December 15 of the year following the year of transfer.



A few simple guidelines will greatly facilitate your completion of this report.

1. Temporary Living

Receipts are required if one night's lodging and meals are needed.

2. Lease Cancellation

A statement from your landlord supporting the reimbursable amount must be provided.

3. Home Purchase Costs

All items submitted for reimbursement must be documented. A closing statement will usually document the reimbursable expenses.

4. Mortgage Interest Rate Subsidy

If you are eligible for a mortgage interest rate subsidy, you will need the following items of documentation:

- a. Evidence to support both the old and new interest rates and type of financing,
- b. Supporting documentation of new home purchase price, and
- c. Documentation to support the equity in your old home.

5. Daily Record

A daily record of all expenses should be submitted with your Transfer Allowances Expense Report.

VIII. Home Sale Assistance Provisions

(Under the U.S. Transfer Allowances Plan)

The first step in your relocation is dealing with the many details associated with selling the house you now own. In most instances, a house is your largest asset. Therefore, establishing your home's equity and market value will be of utmost importance.

A. Eligible Residences

In order for your primary residence to be eligible for home sale assistance, it must be one of the following:

1. A single family dwelling having a lot typical of residences in the immediate community and being free of excessive acreage or lots;
2. A house consisting of two separate family units in which you occupy one unit;
3. A condominium;
4. A mobile or modular home on a permanent foundation on land which you own. The wheels and axles must have been removed from the mobile home to qualify as permanent.



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

Your home must be in marketable condition to be eligible for Home Sale Assistance. Marketable condition includes (but is not limited to) financing availability as well as being free of all structural and mechanical defects. The property must be your principal residence at the time of the relocation, to which you hold free and clear title. You will be responsible for all costs incurred to provide clear title.

If your primary residence is not occupied by a household member during the relocation, you will be reimbursed under the Plan for expenses not normally incurred, accordingly:

- House sitter/check — up to \$25 per week when the residence is unoccupied in excess of seven days and the provider is not a family member.
- Animal care — up to \$15 per day, per animal, for up to two animals.
- Lawn maintenance — up to \$35 per week for lawn maintenance when the residence is unoccupied in excess of seven days.
- Snow removal — up to \$30 per week for snow removal as needed.
- The employee must submit valid receipts indicating dates, times and costs of services.
- Reimbursements for house sitter/check, animal care, lawn maintenance and snow removal are taxable expenses to employees.

B. Relocation Management Company

You are expected to aggressively and actively market your home in an attempt to arrange a sale. To help you market your home effectively, the Company has contracted with a Relocation Management Company, Relocation Properties Management LLC (RPM), to provide a **Marketing Assistance Program (MAP)** which will provide you with professional guidance, including selection of a real estate broker; setting a realistic listing price; suggestions for necessary repairs and improvements; a marketing strategy and negotiation assistance.

You should contact RPM as soon as you are ready to sell your home. The RPM Counselor will provide you with a list of approved real estate agents for your area. You will need to select two agents (at least one must be from the approved list). Both agents must agree to any contractual arrangements normally required to participate in the MAP.

Both real estate agents will do a Broker Market Analysis (BMA) which will be forwarded to RPM and you within five days. The RPM counselor will review the BMAs with the real estate agent and you to suggest a “Listing Price.” Your listing price should not exceed the average of the suggested listing prices on the BMAs by 5% (or 10% of the average suggested sales prices on the BMAs).



C. Broker Registration

In an effort to improve the quality of real estate agent selection and control costs, the Company is using a “Broker Registration” program with RPM. Your utilization of this program in the selling of your home is important and failure to do so may result in increased relocation costs for the Company.

Simply let your relocation consultant know which real estate agent you would like to list with before talking with the agent. You will sign the listing agreement with the agent. Make sure it contains the following **Exclusion Clause**:

“The owners hereby reserve the right: (1) to sell this property directly to RPM at any time, and in such event, this agreement is canceled with no obligation for commission or continuance of listing hereafter or (2) to request consideration through the Buyer’s Value Option or Amended Value Offer Program of any written offer acceptable to RPM for closing and payment of commission in accordance with the terms of the RPM listing agreement.”

RPM will work with you and your real estate agent for the next 60 days to produce a sale. If you secure a bona fide offer to purchase during this 60-day period, **DO NOT INDICATE VERBAL ACCEPTANCE, TAKE ANY MONEY OR SIGN ANY DOCUMENTS WHICH WOULD CONSTITUTE ACCEPTANCE OF THE OFFER.** The Internal Revenue Service has mandated that certain procedures must be followed for a Buyer’s Value Option sale to qualify for non-taxable treatment. Your RPM counselor will review all aspects of the offer and determine if the offer is in good faith and that all contingencies and terms negotiated between you and the Buyer are acceptable. Any costs you agree to pay (i.e., seller’s discount points, repairs, etc.) will be subtracted from the offer price.

If RPM accepts the contract, they will issue you an offer to match the sales price. You will need to vacate your home in accordance with the terms of the sales contract with your buyer. You will be responsible for all expenses associated with your home (real estate taxes, mortgage payments, maintenance, etc.) up to the vacating date or date of closing, whichever is later. After vacating your residence, you will receive your equity, which will be equal to the difference between the balance of the mortgage plus prorated costs (taxes, mortgage interest, etc.) and the RPM offer.

If you are unable to secure a sale within the first 45 days, you will be entered into RPM’s Home Purchase Program and you will be issued a **Guaranteed Offer**. To determine the value of your home, appraisals will be made by two appraisers selected by you from a list of appraisers supplied to you by RPM. Data relating to the recent sales of homes similar to yours is the most important element in the appraisal process. The appraisers must take into account current market and financing conditions, as well as other homes which are on the market. So you feel comfortable that all relevant information has been considered by the appraisers, you may wish to provide them with information on similar homes that have recently sold in your area. Prepare a fact sheet to hand to the appraisers as soon as they begin their property inspection. On the fact sheet, list all of the amenities which your house features.

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Home appraising is not an exact science. Certainly an error of fact, such as omitting a garage or other major feature, is a valid basis for question and possible correction. If an appraiser's opinion of value differs from yours and the difference is not due to an error of fact, then we have an honest difference of opinion. There is a certain level of subjectivity in the appraisal process, which is why we average two (or three) appraisals to determine your offer. While you are entitled to appeal the offer, disappointment because an appraiser's opinion of market value differs from yours is not a valid reason to re-evaluate the appraisal/offer. Should you decide to appeal the offer, you must provide valid information to RPM as to why you feel the appraisals should be re-examined. To help you understand what factors determined the value of your home, copies of the appraisals can be secured from RPM.

The offer which RPM will make on your property represents the most probable sales price for your home and is determined by averaging the two appraisals. If the two appraisals differ by more than five percent (5%), a third appraisal will be ordered (you will be contacted to select the appraiser) and all three appraisals will be averaged or the two closest of the three appraisals will be averaged, whichever is higher, to determine the Guaranteed Offer. RPM may disregard an appraisal with a valuation which it considers not supportable, provided that another appraiser replaces the disregarded appraisal.

When there is evidence, as disclosed by you or identified by the broker or appraiser, that a problem exists or if inspections are required by local law, RPM will order such inspections. If the results of these inspections are not satisfactory, RPM may cancel the contract, have reasonable repairs done to correct the problems disclosed by the inspections and charge the costs to you, or require you to make reasonable repairs at your expense.

Assuming there are no unusual circumstances, you will normally receive the RPM offer within two to three weeks after both appraisers have completed their appraisals. The Guaranteed Offer will be valid for 30 days. RPM will continue to work with you and your real estate agent to produce a sale during this 30-day period. If you secure a bona fide offer to purchase during this 30-day period, **DO NOT INDICATE VERBAL ACCEPTANCE, TAKE ANY MONEY OR SIGN ANY DOCUMENTS WHICH WOULD CONSTITUTE ACCEPTANCE OF THE OFFER.** The Internal Revenue Service has mandated that certain procedures must be followed for an Amended Value sale to qualify for non-taxable treatment. Your RPM counselor will review all aspects of the offer and determine if the offer is in good faith and that all contingencies and terms negotiated between you and the Buyer are acceptable. Any costs you agree to pay (i.e., seller's discount points, repairs, etc.) will be subtracted from the offer price.

If RPM accepts the contract, they will issue you an offer to match the sales price. You will need to vacate your home in accordance with the terms of the sales contract with your buyer. You will be responsible for all expenses associated with your home (real estate taxes, mortgage payments, maintenance, etc.) up to the vacating date or date of closing, whichever is later. After vacating your residence, you will receive your equity, which will be equal to the difference between the balance of the mortgage plus prorated costs (taxes, mortgage interest, etc.) and the RPM offer.

If you secure a bona fide sale during this 30-day period for no less than 97% of the Guaranteed Offer, you will be paid equity based on the net sales price or the Guaranteed Offer, whichever is greater.



If you are unable to secure a bona fide sale during the 60-day MAP or the 30-day Guaranteed Offer period, you can accept the RPM Guaranteed Offer. RPM will assume responsibility for your mortgage payments, utilities and the maintenance of your property as of the date of closing. If a mortgage payment is due at the time you accept the Guaranteed Offer, you should make the payment, making sure you advise RPM. Insurance coverage on the property remains your responsibility until the date of closing. You may need to occupy the home for a period of time after you have accepted the Guaranteed Offer; and you may do so for up to 60 days. During this period of time, you will be responsible for the property and must permit the real estate broker, acting for RPM, to show the home to prospective buyers.

If you choose to reject the Guaranteed Offer, there is no further home sale assistance provided through RPM. If within 90 days after you have rejected the Guaranteed Offer, you consummate the sale of your home, you will be reimbursed closing costs as outlined in the Home Selling Expense section of this Guide.

D. Home Sale Bonus

The Company has designed a bonus program to provide an added incentive for you to market your home effectively. A bonus will be paid to you on any employee-generated sale (excluding a sale to RPM.) The Company will pay you a bonus equal to three percent (3%) of the sales price, maximum \$10,000. If your Amended Value sale is within 97% of the Guaranteed Offer, your bonus will be calculated on the Guaranteed Offer amount. This bonus is **taxable and not subject to the tax allowance provision**. Your eligibility for this bonus will expire when your eligibility for reimbursement of home selling costs expires.

E. Home Selling Expenses

If you sell your home without the assistance of RPM, you will incur selling expenses. You will be eligible for reimbursement of these expenses under the Plan if you consummate the sale no later than 90 days after you have rejected the Guaranteed Offer or refused to participate in the Home Sale Assistance program through RPM. If you do not consummate the sale within this time frame, you will not be reimbursed selling expenses.

The following home selling expenses are covered by the Plan. Since these expenses vary from locality to locality, reimbursement is limited to only those that are customary selling expenses for your locality:

- Brokerage fees (reasonable and customary for locality)
- 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 your home,
- FHA, VA, and conventional loan origination fees, loan discounts, and buy down points. (These items are the purchaser's obligation to pay. If, through negotiation, you agree to pay for any of these items, they will not be reimbursed.)
- Home warranty protection plan, and
- Any closing costs which the purchaser normally pays, that you, through negotiation, agree to pay.

F. Loss on Sale

Note: New hires are not eligible for loss on sale provisions.

If you utilize the RPM Marketing Assistance Program and sell your property at an actual sales price that is within 90% of the price set by the RPM Marketing Assistance Program, you may be eligible for this assistance. "Loss on sale" is defined as the difference between the sales price of your home and the documented purchase price. The sales price will consist of the actual sales price or the RPM Guaranteed Offer, whichever is higher. If the person or institution holding your mortgage agrees to forgive a portion of the mortgage balance, the amount of the mortgage forgiven will be added to the sales price of the home when calculating the loss-on-sale reimbursement. The documented purchase price will consist of the following:

1. For used homes (suitable for occupancy on date of closing) the actual purchase price.
2. For completed new homes, the purchase price plus any documented receipts and contract for internal window coverings and landscaping made within 90 days following the closing date of the home purchase.
3. For new homes constructed from scratch, for partially completed new homes requiring substantial construction to make them habitable, and for used homes requiring substantial construction modification to make them habitable, the purchase price will consist of the following:
 - The purchase price plus any documented construction contracted for and completed within 12 months of the first documented construction contract initiated by you.
 - Documented interest charges incurred on a construction loan during the construction period — after-tax costs assuming a marginal rate of 25% unless you can document a lower rate. The construction period is limited to nine months.
 - Documented interest charges incurred on a property loan during the construction period — after-tax costs assuming a marginal rate of 25% unless you can document a lower rate. The construction period is limited to nine months.
 - Documented insurance costs on the house and construction materials during the construction period. The construction period is limited to nine months.



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The formula for calculating the loss-on-sale reimbursement is:

1. Purchase Price \$
2. Sales Price – \$
(Sales Price or RPM offer, whichever is higher)

3. Loss on Sale \$

90% of the first \$60,000
75% of the next \$40,000
75% of the next \$100,000

Maximum reimbursement \$159,000

Your eligibility for this loss-on-sale assistance will expire when your eligibility for reimbursement of home selling expenses expires. (See “Home Selling Expenses” section of this Guide.)

If you are being transferred back to the U.S. from an overseas assignment and were eligible for the loss-on-sale assistance at the time of transfer overseas, your eligibility for loss-on-sale will continue until your eligibility for home selling expense reimbursement expires.

G. Mobile Homes

If you live in a mobile home which you own, you may decide to sell it. If the wheels and axles have been removed, the mobile home is on a permanent foundation, and the title covers both the mobile home and the land, the same policy for sale of a conventional home applies. If the mobile home does not meet these criteria, you will be paid a \$3,000 allowance (tax protected) to cover any costs incurred in moving or selling the mobile home.

IX. Home Purchase Assistance Provisions

(Under the U.S. Transfer Allowances Plan)

Home Purchase Assistance is designed to help you find and acquire a home at the new location.

NOTE: If you purchase a newly-constructed home, make sure all costs (including costs for such items as a swimming pool, deck, etc.) are included in the original purchase price. This will eliminate any problems in establishing the actual purchase price for loss-on-sale purposes if subsequently transferred.

A. Buying the Right House

Before beginning your search, you should: **contact your RPM consultant to register your broker at the new location** and have decided how large of a monthly house payment you can afford. For each property, take a careful look at the:

- Community. Is it near your work? Does it have recreational and other facilities your family needs?
- Neighborhood. Is it quiet, well kept, safe, congenial? How near are schools, churches, shopping, health care facilities and parks?



- Schools. Are they well rated? Adequately financed?
- Transportation. Is public transportation accessible?
- Property taxes. What is the rate? On what basis of evaluation? How do taxes compare with nearby communities?
- Utilities. Are water, electricity, gas, sewers all available? Paid for? Or are there existing or future assessments?
- Fire and police protection. Are they adequate? You can obtain this information from your insurance company.
- House. Is the floor plan desirable? Is the house structurally sound? What's the condition of the mechanical equipment? Does it fit your present and future family needs?
- Resale value. Is this house a one-of-a-kind, special-interest property that will be difficult to sell if you're transferred again?

B. Homes for Sale

Company homes that are currently in inventory are listed on the Company NewsStand as "Looking For a New Home?" It could be advantageous to both you and the Company if you purchase one of these homes. If you are interested in seeing a listed home, contact RPM. Arrangements will be made with the listing realtor for you to see the home.

C. Closing Costs on a New Home

The Company will reimburse you for certain costs you, as the purchaser, incur. When you are closing through a national mortgage lender provided by RPM, the lender will direct bill RPM for 50% of the reimbursable discounts points and 100% of the other reimbursable closing costs.

If you were a renter at the old location prior to going on a long-term international assignment and purchase a home at the new location within 12 months of your eligibility to purchase, the Company will reimburse you up to a maximum of \$1,000 for these costs. Direct billing of reimbursable home purchase costs does not apply.

In most cases, lenders conducting settlements are required to provide buyers with a Department of Housing and Urban Development settlement statement of these purchase costs. This statement should be submitted with your Transfer Allowances Expense Report to validate your actual purchase costs. The following form identifies some, **but not necessarily all**, the items which are reimbursable under the Plan.

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Item No.	Item Name	Item Description
801	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.
802	Loan Discount	Often called "points," a discount point is a one-time charge used to adjust to a lower mortgage interest rate. Each "point" is equal to one percent (1%) of a mortgage loan amount. No discount points are paid by the Company if the "mortgage interest rate" is less than 6%. Up to one discount point is paid if the "mortgage interest rate" is 6% or greater but less than 8%. Up to two discount points are paid if the "mortgage interest rate" is 8% or greater. The "mortgage interest rate" is the rate on the 30-year mortgage interest rate set by the Federal National Mortgage Association (FNMA) and published in the Wall Street Journal on the day the employee locks into their mortgage loan's interest rate.
803	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.
804	Credit Report Fee	This fee covers the cost of the credit report which shows how you have handled other credit transactions. The lender uses this report in conjunction with other information you submitted to determine whether you are an acceptable credit risk and to help determine how much money to lend you.
805	Lender's Inspection Fee	This charge covers inspections, often of newly-constructed housing, made by personnel of the lending institution.
807	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.
1100	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. The specific charges discussed in connection with Items 1101-1109 are those most frequently incurred at settlement. Due to the great diversity in practice from area to area, your particular settlement may not include all those items or may include others not listed.
1101	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.
1102 1103 1104	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.
1105	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. You should check to see that these services are not also covered under some other service fees.

(continued)

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Item No.	Item Name	Item Description
1106	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.
1107	Attorney's Fee	You 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 you, as the buyer, are reimbursable by submitting an itemized statement of attorney's fees.
1108		See Items 1109 and 1110.
1109	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.
1110	Owner's Title Insurance	The charge for owner's title insurance protects you 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 you pay this charge, it is reimbursed.
1200	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.
1301	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.
1302	Pest and Other General Inspections	This fee is to cover general home inspection costs (termite, radon, structural, mechanical, etc.).
1303	Condominium Documentation Review	If you finance the purchase of a condominium, the lender may make a charge for its review of the bylaws and other legal documents governing the condominium.

NOTE: Private Mortgage Insurance, which insures a portion of the purchaser's loan against default, is not reimbursable.



X. Mortgage Interest Rate Subsidy

(Under the U.S. Transfer Allowances Plan)

When you buy a home at your new location, it is possible that you will be facing a higher interest rate. If so, you may be eligible for a mortgage interest rate subsidy. The formula for calculating the subsidy is:

(New interest rate minus old interest rate (no less than nine (9) percent)) times (New home purchase price minus equity amount)

If you change the method of financing at the new location (e.g., from an adjustable rate mortgage to a long-term conventional fixed rate mortgage) compared to your arrangement at your old location, your interest rate differential is limited to two percent (2%). For subsidies based on adjustable rate mortgage financing at both the old and new locations, the subsidy will only be calculated on year one and will remain constant for the duration of the payout.

The purchase price may be amended one time according to the following rules:

- The purchase price amendment must be the result of expenses incurred for capital improvements or renovations made to your primary residence. Documentation of all expenses is required.
- Expenditure for labor and materials in connection with the improvements or renovations must be made or committed to, in writing, within 90 days of closing. In situations where you choose to perform your own labor, no charge for such labor will be recognized.
- All work in connection with the improvements and renovations must be completed within one year from the date of closing.

The purchase price for newly-constructed homes will include the cost of the lot plus documented construction contracted for and completed within 12 months of the first documented construction plus:

- a. Documented interest charges incurred on a construction loan during the construction period — after-tax costs assuming a marginal rate of 25% unless you can document a lower rate. The construction period is limited to nine months.
- b. Documented interest charges incurred on a property loan during the construction period — same after-tax calculation and construction period as (a).
- c. Documented insurance costs on the house and construction materials during the construction period — same construction period limitation as (a).

If you own your home free and clear, an interest rate of nine percent (9%) will be used as your old interest rate provided documentation exists proving the mortgage was paid off prior to any notification of transfer.

Your equity amount is defined as the difference between the sales price of your home and any outstanding principal mortgage balance. Home equity loans will not be included in this calculation unless the proceeds were used for home improvements to your primary residence. The amount of any loss-on-sale reimbursement will be added to your sales price to determine your equity.



Payments will be made as follows: Years 1-3: 100% of annual subsidy; Year 4: 75% of annual subsidy; and Year 5: 50% of annual subsidy. Your first installment will be paid to you at the time of final settlement of your Transfer Allowances Expense Report. If your total subsidy payments are less than \$500, the subsidy will be paid in a lump sum. You will be required to re-qualify for the remaining four installments on an annual basis. In order to re-qualify, you will be required to verify that the property remains your primary residence and provide a statement from your lending institution confirming the current mortgage interest rate. Your subsidy will be recalculated if your mortgage rate has changed, subject to the above-mentioned limitations.

If the property is no longer your primary residence, if you are subsequently transferred, if you resign, or if you are terminated, the remaining subsidy payments will be discontinued. Upon death or retirement, the remaining subsidy payments will be paid in a lump sum.

You will be entitled to a subsidy if a home is purchased within 12 months of your eligibility to purchase. If you have not purchased a home at the new location and you are transferred again before the 12-month limitation period expires, you will have 12 additional months from the most recent effective transfer date to buy a home at the new location to qualify for an interest rate subsidy.

If you are transferred back to the U.S. from an overseas assignment and you do not own a home in the U.S., but owned a home which was your principal residence at the time of expatriation, you will be eligible for the mortgage interest rate subsidy.

XI. Expense Express Instructions for Filing Relocation Expenses Charged on GE Capital Card

If you do not have the category of RELOCATION in Expense Express, please call 419/421-2374 for assistance.

When charges are imported into Expense Express that are for expenses incurred for RELOCATION, please follow the instructions below:

- After importing charges into a report, double click on the expense to get the Editing Expense Entry box.
- **Choose the category of RELOCATION from the drop-down list by the category field.** Charges will come into Expense Express with categories of meals, lodging, etc., but you will need to change the category to RELOCATION for each relocation expense on the report.
- When you change the category to RELOCATION, EE automatically changes the Charge To field to PERSONAL.
- Click on the drop-down arrow by the Business Purpose field and select Add/Edit Business Purpose. Add a business purpose titled Relocation Expenses. After you have added this to your business purpose list, it will remain in the drop-down list to use whenever relocation expenses are imported into your report.



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- When you go through the Finish and Check steps to submit the report, EE will prompt to authorize a payroll deduction for any Relocation/Personal expenses on the report which are not offset by cash/mileage business expenses on the report. You have two options:
 - Click YES, in which case Marathon will pay all GE Capital expenses on the report and deduct the amount that was authorized from payroll, or
 - Click NO, which means you must write a check to GE Capital to post by the due date for the amount designated on the screen. The due date is on your GE Capital statement for the month the expenses were incurred.

It is recommended that you print copies of reports which include relocation expenses as they will be useful in helping you reconcile your Relocation Final Expense Report. You also have access to these reports in Expense Express if you do not print the reports, however, if you print the reports and place them in your relocation file, you will have all relocation documentation in one place.

Submit your original relocation expense receipts with your Relocation Final Expense Report. Do not include receipts for relocation expenses in your business expense report receipt packet.

BUSINESS AND RELOCATION EXPENSES ARE SUBJECT TO AUDIT.