



Marathon Oil Company Sick Benefit Plan

**Amended and Restated as of
January 1, 2014**

Sick Benefit Plan



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Sick Benefit Plan

This document serves as the Plan instrument of the Marathon Oil Company Sick Benefit Plan (the “Plan”). The provisions of this instrument shall be construed and governed by the laws of the State of Texas.

I. Purpose

The Plan provides protection against loss of income for an employee who is temporarily unable to work because of their own disability, including both illness and injury.

II. Eligibility

An employee is eligible for benefits under this Plan provided the following requirements are met:

- A. The employee is a Regular employee who works on a “full-time” or “part-time” basis. For purposes of eligibility, Regular Full-time means the employee has a normal work schedule of at least 40 hours per week or at least 80 hours on a bi-weekly basis. However, if a Regular Full-time employee’s normal work schedule is reduced to 20 hours or more per week to accommodate a bona fide health problem or disability, such employee will continue to be eligible for the Plan.

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

- B. The employee is not in an employee group for whom another sick benefit plan has been established to which the Company makes contributions, or for which the Company provides benefits.

For any employee who loses eligibility under the terms of the Plan because of a change in their normally scheduled hours, the effective date of the termination of eligibility will be determined by the date of the change in their normally scheduled hours.

Regular employees who work on a full-time or part-time basis must be specifically designated as such by the Company to be eligible to participate in the Plan. Casual employees, any other employees not normally scheduled to work at least 40 hours per week, and all other common law employees who have not been designated by the Company as Regular employees who work on a full-time or part-time basis are excluded from eligibility to participate. Specifically excluded from eligibility to participate in the Plan are any individuals who have signed an agreement, or have otherwise agreed, to provide services to the Company as an independent contractor, regardless of the tax or other legal consequences of such an arrangement. Also specifically excluded are leased employees compensated through a leasing entity, whether or not the leased employee falls within the definition of “leased employee” as defined in Section 414(n) of the Internal Revenue Code.

III. Cost

This Plan is provided entirely at Company cost.

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IV. Schedule of Benefits

A. Non-Occupational Disability

Employees become eligible for their full Sick Benefit entitlement on January 1 of each calendar year based on the amount of service that will be completed in that calendar year, (hereinafter referred to as “Accredited Service”).

The total benefits an employee is eligible to receive during a calendar year is based on the Sick Benefit Schedule below and the requalification requirements described in Section V.

Sick Benefit Schedule		
Accredited Service	Full Sick Pay	60% Sick Pay
Less than 1 Year	1 week	2 weeks
1 year	3 weeks	4 weeks
2 years	4 weeks	8 weeks
3 years	5 weeks	12 weeks
4 years	6 weeks	16 weeks
5 years	7 weeks	19 weeks
6 years	8 weeks	18 weeks
7 years	9 weeks	17 weeks
8 years	10 weeks	16 weeks
9 years	11 weeks	15 weeks
10 – 14 years	14 weeks	12 weeks
15 – 19 years	20 weeks	6 weeks
20 years and over	26 weeks	0 weeks

Regular Part-time employees are eligible for a maximum total number of hours each year based on their Regular Part-time schedule at the time Sick Benefits commence.

For example, a Regular Part-time employee working a 20-hour per week schedule with 10 years’ service will be eligible for a total of 280 hours (14 weeks x 20 hours per week schedule) of Sick Benefits at full pay and 240 (12 weeks x 20 hours per week schedule) hours of Sick Benefits at 60% pay.

B. Occupational Disability

Regardless of service, an employee who is off work due to an occupational disability will be eligible to receive up to a total of 26 weeks’ full sick pay and a total of 26 weeks’ half (50%) pay during a calendar year. Occupational disability benefits are only payable for occupational disabilities which occur while the employee is working for Marathon Oil Company or another participating employer.



V. Requalification for Sick Benefits

- A. Employees who, on January 1 of each year, have at least one year of Plan Service (hereinafter referred to as “Eligible Employees”) will requalify for Sick Benefits on January 1 of each year, subject to the following:
1. Eligible Employees who, as of January 1, have not used any sick days during the previous calendar year will requalify for Sick Benefits on January 1.
 2. Eligible Employees who, as of January 1, have completed at least ten workdays since their most recent paid/unpaid sick day in the previous calendar year will requalify for Sick Benefits on January 1.
 3. Eligible Employees who, as of January 1, have not completed at least ten workdays since their most recent paid/unpaid sick day in the previous calendar year, will requalify for Sick Benefits after January 1, on the date immediately following the completion of ten workdays since the most recent paid/unpaid sick day.
 4. For employees who do not requalify January 1, unused Sick Benefits from the previous calendar year are available for use until they have completed at least ten workdays since their most recent paid/unpaid sick day. Upon requalification, eligible Sick Benefits will be offset by Sick Benefits taken from January 1 through the requalification date.
- B. New Hires, Rehires who have been absent for more than twelve months, and employees returning from an Educational Leave of Absence in excess of twelve months are entitled to Sick Benefits equivalent to one week of full pay and two weeks at 60% pay within their first twelve months of continuous employment. Immediately upon completion of twelve months of continuous employment, Sick Benefits are handled as follows:
1. New Employees will have available, through the remainder of the calendar year in which 12 months of Plan Service is completed, three weeks at 100% pay and 4 weeks at 60% pay, offset by any Sick Benefits used from the January 1 immediately following date of hire through the date 12 months of service is completed. (As a result, the total Sick Benefits used in the employee’s first full calendar year of employment cannot exceed three weeks at 100% pay and 4 weeks at 60% pay.)
 2. Rehires and employees returning from an Educational Leave of Absence in excess of twelve months will have available, through the remainder of the calendar year in which 12 months of service is completed, Sick Benefits based on total Plan Service, offset by any Sick Benefits used from the January 1 immediately following date of return or rehire through the date 12 months of service is completed. (As a result, the total Sick Benefits used in the employee’s first full calendar year of re-employment cannot exceed Sick Benefits that they would have otherwise had, based on total Plan Service.)
- C. Employees who return to work in less than 12 months (including as a result of being rehired), immediately qualify for benefits based on total Accredited Service.

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- D. For purposes of determining requalification for Sick Benefits, the following definitions apply:
1. A workday, for requalification purposes, is considered any day where an employee is actively performing their assigned responsibilities in accordance with their schedule.
 - a. A workday cannot have any paid/unpaid time off within the employee's schedule; otherwise, the day will not be applied to the requalification period.
 - b. Leave of absence time will not be applied to the requalification period.
 - c. Workdays do not need to be consecutive.
 2. A sick day is one whereby the employee is absent for their entire daily schedule.
 3. A schedule is defined as the employee's daily work schedule approved by the Company, including, when necessary, the normal approval of the Company's Medical Director for a reduced work schedule.

VI. Sick Benefits

Sick Benefits as used in this plan shall include the weekly compensation paid to an employee for normal regularly scheduled hours for their classification as a Regular Full-time or Regular Part-time employee and at their regular base rate or rates, regardless of whether the employee is paid on an hourly or monthly basis, plus any additional pay or allowances such as area differential, cost of living, housing, temporary hardship, or overseas premium to which the employee is entitled because of their geographic location.

Sick Benefits shall include, but not be limited to, contributions to the Marathon Oil Company Thrift Plan. Overtime, shift differential, other premium pay, commissions, bonuses, suggestion awards, military pay, travel pay, or other types of special pay or allowances shall be excluded.

VII. Maximum Benefits

Periods of non-occupational disability and occupational disability will be totaled independently of one another in computing the separate calendar year benefit maximums. Sick Benefits paid for any day of absence will be charged against the calendar year in which that day occurs, even if the absence continues from one calendar year to another.

An absence due to disability is considered as continuous unless separated by active employment. Sick Benefits paid for any one absence shall not exceed those to which an employee is entitled when that absence began.

VIII. Benefits Offset by Other Disability Payments

Allowed Sick Benefits are reduced by the amount of:

- A. Any disability compensation in lieu of wages paid to a member under Federal or State workers' compensation laws,
- B. Any disability compensation in lieu of wages paid to a member under the Federal Jones Act, Federal Employers' Liability Act, or any other Federal or State disability compensation program, or

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- C. Any disability, rehabilitation, or similar payments provided to the member or the member's family under Social Security or State laws.

Sick Benefits payable from the Plan are initially offset by the estimated maximum amount of Social Security disability benefits payable. Retroactive adjustments are made to Sick Benefits payable from the Plan benefit based on the actual Social Security disability benefit payable. Once the Social Security disability benefit has been determined, no further offset will be taken for future Social Security cost-of-living adjustments.

IX. Benefits Beginning During Absence

Sick Benefits for disability occurring when an employee is on vacation or off duty for a temporary period by permission, and continuing beyond the date of the scheduled return, will be paid as though the disability originated on the day of the scheduled return to work. No benefits will be paid if the disability begins while an employee is laid off or during a leave of absence, other than a Sick Leave or a Family Leave if the Sick Benefits are attributable to the reason for the leave. Employees on Personal Leave will not be eligible for benefits under the Sick Benefit Plan.

X. Benefits on a Holiday

If an employee is eligible to receive Sick Benefits and a holiday occurs while the employee is off work, the employee will receive the regular holiday absence allowance which will not be charged against Sick Benefits.

XI. Absences Charged Against Sick Benefits

Absences or the portion of any absences due to illness or injury will be charged against Sick Benefits to the extent that they are at least one-half day in duration. Any absence or the portion of any absence of less than one-half day will not be charged against Sick Benefits unless accounting for intermittent sick leave.

XII. Vacation

A vacation may be granted in connection with an absence due to disability if an employee requests it, subject to the provisions of the MOC Vacation Plan.

Employees cannot apply vacation benefits in the same work day in which sick benefits are payable, unless otherwise expressly allowed by applicable law. However, at year-end when an employee is not expected to return to work in the same calendar year in which a sick leave or military leave commences, Payroll will automatically schedule unused vacation, in excess of ten days, or its equivalent, in conjunction with Sick Benefits, as needed.



XIII. Company-Initiated Terminations During Absence

If while an employee is receiving (or eligible to receive) Sick Benefits and Company-initiated actions occur which results in their termination of employment, the following will occur with regard to Sick Benefits:

- A. If the employee has been receiving Sick Benefits for less than 31 consecutive days at the time of the Company-initiated termination of the employee's employment, the employee's Sick Benefit eligibility and Sick Benefits will terminate on the date of the Company-initiated termination of employment.
- B. If the employee has been receiving Sick Benefits for at least 31 consecutive days, but less than six months at the time of the Company-initiated termination of the employee's employment, Sick Benefit eligibility and Sick Benefits will continue until the earlier of the date the employee has exhausted Sick Benefit eligibility under the terms of this Plan or the date the employee is eligible for consideration for benefits under the terms of the Termination Allowance Plan.
- C. If the employee has been receiving Sick Benefits for a period of time that exceeds six months at the time of the Company-initiated termination of the employee's employment, Sick Benefit eligibility and Sick Benefits will terminate on the date the employee is eligible for consideration for benefits under the terms of the Termination Allowance Plan.

XIV. Disqualification

An employee may be disqualified from receiving Sick Benefits under this Plan if the disability is the outcome of an act directly within the employee's control.

No Sick Benefits will be paid if an employee becomes sick as the result of working for another employer when off duty or on vacation. Nor will Sick Benefits be paid if the employee becomes disabled in the operation of the employee's own spare time business such as a farm, machine and repair shop, etc., where such enterprise is conducted for profit, or from engaging in regular activities from which an employee receives compensation. It is intended that this Plan should be applied on the basis of what the average employee does or might normally be expected to do during non-working hours.

An employee is disqualified from receiving Sick Benefits under this Plan for any period of time that is also covered by a disciplinary suspension of the employee which is specified by the Company to be without pay.

An employee may be disqualified from receiving Sick Benefits under this Plan as the result of non-compliance with the Company's Transitional Duty Policy.

An employee may be disqualified from receiving Sick Benefits under this Plan during any period of time when, in the absence of a disability, they are otherwise unable to work due to other reasons (such as confinement in a jail, prison, etc.).

It is not the Company's intention to disqualify an employee from receiving Sick Benefits under this Plan if the employee's absence is the result of an elective medical procedure.



XV. Proof of Illness

The Company reserves the right to request a physician's statement certifying the need for a leave at the employee's expense. The employee will be required to submit a fitness for duty certification as a condition of the employee's return to work with regard to any health condition which caused the need for leave under the Family and Medical Leave Act or for any absence regardless of length to ensure job safety.

The Company may, at its expense, have a physician investigate the circumstances of an employee's disability to determine whether the employee is taking appropriate steps to expedite recovery. The Company subsequently reserves the right following that investigation to deny payment of Sick Benefits under this Plan, if, in the opinion of the Company, the employee is not taking appropriate steps to expedite their recovery. In the case of chronic disability or of frequent absences on account of disability, the Company may, at its expense, appoint a physician to investigate and determine the probable future frequency or duration of such absences and handle each such case on its own merits, regardless of the above Sick Benefit Schedule.

After an examination of all the facts, the Company reserves the right not to pay Sick Benefits under this Plan if it appears the disability is not bona fide, or that the employee is not taking appropriate steps to expedite their recovery.

XVI. Participation by Associated Companies and Organizations

Upon specific authorization and subject to such terms and conditions as it may establish, Marathon Oil Company may permit subsidiaries and affiliated organizations to participate in this Plan. Currently, the participating employers in this Plan are Marathon Oil Company, Marathon Oil Corporation, and Marathon Service Company.

The term "Company" and other similar words shall include Marathon Oil Company and such other participating employers. The term "employee" and other similar words shall include any eligible employee of these participating employers.



XVII. Modification and Termination of the Plan

Marathon Oil Company reserves the right to modify or terminate this Plan, in whole or in part, at any time in such manner as it shall determine.

Marathon Oil Company may exercise its reserved rights of amendment, modification or termination by written:

- i. Resolution by the Board of Directors of Marathon Oil Company;
- ii. Resolution by the Executive Committee of the Board of Directors of Marathon Oil Company (the “Board of Directors”);
- iii. Actions exercised by any other Committee of the Board of Directors, for example the Salary and Benefits Committee, to which the Board of Directors or the Executive Committee of the Board of Directors has specifically delegated rights of amendment, modification or termination; or
- iv. Actions exercised by any other entity or person to which or to whom the Board of Directors or the Executive Committee of the Board of Directors has specifically delegated rights of amendment, modification, or termination.

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

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

For purposes of the above, “minimal cost impact” is defined as an annual cost impact to the Company per MOC Employee Benefit Plan case that does not exceed the greater of:

- i. An amount that is less than one-half of one percent of its documented total cost (including administrative costs) for the previous calendar year; or
- ii. \$500,000.

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



XVIII. Further Information

Marathon Oil Company has appointed the Vice President of Human Resources as Plan Administrator of the Plan. Marathon Oil Company shall appoint assistant administrators as may be deemed necessary. In determining the eligibility of participants for benefits and in construing the Plan's terms, the Plan Administrator has the power to exercise discretion in the construction of doubtful, disputed, or ambiguous terms or provisions of the Plan, in cases where the Plan instrument is silent, or in the application of Plan terms or provisions to situations not clearly or specifically addressed in the Plan itself. In situations in which they deem it to be appropriate, the Plan Administrator may evidence (i) the exercise of such discretion, or (ii) any other type of decision, directive or determination made with respect to the Plan, in the form of written administrative rulings which, until revoked, or until superseded by plan amendment or by a different administrative ruling, shall thereafter be followed in the administration of the Plan. All decisions of the Plan Administrator made on all matters within the scope of their authority shall be final and binding upon all persons, including the Company, any trustee, all participants, their heirs and personal representatives, and all labor unions or other similar organization representing participants. It is intended that the standard of judicial review to be applied to any determination made by the Plan Administrator shall be the "arbitrary and capricious" standard of review.

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Note: At any given time, amendments to the actual Plan instrument may have been adopted by the Company which have not yet been reflected in the copy of this actual Plan instrument. Copies of any such amendments will be sent to you if you send a written request for them addressed to the Plan Administrator. In addition, from time to time the Plan Administrator may evidence the exercise of their discretion on Plan matters in the form of written "Administrative Rulings." Copies of any such rulings will also be sent to you if you send a written request for them addressed to the Plan Administrator.

The Plan Administrator may assess a reasonable charge to provide any requested copies.

IN WITNESS WHEREOF, Marathon Oil Company has caused its name to be hereunto subscribed by its Vice President, Marathon Oil Company, and its corporate seal to be hereto affixed.

MARATHON OIL COMPANY

By: _____
Its: