Marathon Oil

U.S. DOMESTIC RELOCATION ASSISTANCE PLAN

GENERAL

PURPOSE

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

TYPES OF EMPLOYEE RELOCATIONS

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

- Transferred Employees, *Exempt Level*
- Transferred Employees, *Hourly and Non-Exempt Level*
- New Employees, *Greater than Mid-Point of Grade 10*
- New Employees, *Less than Mid-Point of Grade 10*
- Co-ops and Interns

ADDITIONAL RELOCATION INFORMATION

- Relocation Benefit Provisions
- Other Provisions
- Taxes

ELIGIBLE EMPLOYEES

Those employees who are requested by the Company to transfer and relocate are eligible for the respective provisions of this Plan, provided the distance between the employee's new place of work and former residence is at least 50 miles more than the distance between the former place of work and former residence. If the employee has no former place of work, the new place of work must be at least 50 miles from the former residence.

Employee must be employed on a Regular Full-Time or Part-Time basis, including new employees hired for Regular Full-Time or Part-Time employment. Casual Interns and Co-ops are also eligible for the respective Co-ops and Interns relocation benefit if they meet the distance criteria discussed above.

- Regular Full-Time employment means a normal work schedule with the Company of at least 40 hours per week or 80 hours on a bi-weekly basis, or 20 or more hours per week to accommodate a bona fide health problem or disability. Regular Part-Time employment means the employee is employed to work on a part-time basis (minimum 20 hours but less than 35 hours per week) and not on a one-time, special job completion, or call-when-needed basis.

For a new hire to be eligible for New Employee, *Greater than Mid-Point of Grade 10* relocation benefits, the employee must be hired on a salary grade 10 or higher and at a salary not less than the midpoint of grade 10.

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

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

REPAYMENT AGREEMENT

The New Employees, *Greater than Mid-Point of Grade 10* and Transferred Employees, *Exempt* must sign an Employee Reimbursement Agreement which stipulates that should the employee terminate employment voluntarily or be involuntarily terminated for cause after receiving relocation benefits, the employee will be required to repay relocation expenses at a rate of 8.33% for each calendar month of service not completed during the 12 calendar months counting from the first of the month the relocation is effective. Repayment is not required if termination of service results from a bona fide health reason of the employee or a household member or if the employee is involuntarily terminated due to redundancy.

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

THIRD PARTY RELOCATION COMPANY

The Company has contracted with a third party relocation company (hereinafter referred to as "Relocation Company") to assist with the Marathon Oil Company U.S. Domestic Relocation Assistance Plan.

BENEFITS PROVIDED (See **Relocation Benefit Provisions** Section for Details)

	Transferred Employees, *Exempt Level*	Transferred Employees, *Hourly and Non-Exempt Level*	New Employees, *Greater than Mid-Point of Grade 10*	New Employees, *Less than Mid-Point of Grade 10* Lump Sum Option*	New Employees, *Less than Mid-Point of Grade 10* Pack-n-Move Option*	Co-ops and Interns
Advance Trip Expenses	X		X		X	
Movement of Household Goods	X	X	X		X	
Final Trip Expenses	X		X		X	
Temporary Living Expenses	X	X	X		X	
Exception & Incidental Allowance	X		X			
Relocation Allowance		X - $4,000		X - $5,000	X - $500	X - $4,000
Home Sale Assistance	X		X			
Home Selling Costs	X		X			
Home Sale Incentive	X		X			
Equity Advance	X		X			
Home Purchase Costs	X		X			
Loss On Sale	X					
Duplicate Housing Expenses	X		X			
Lease Cancellation	X		X			
Spousal Employment Assistance	X		X			
Allowed Time Off	X	X	X	X	X	

***New Employees, *Less than Mid-Point of Grade 10* can choose between the Lump Sum Option and the Pack-n-Move Option; Only one option may be selected.**

RELOCATION BENEFIT PROVISIONS

ADVANCE TRIP EXPENSES

The relocating employee and one other member of the household will be allowed one reimbursable advance trip to the destination location to secure a residence. Reimbursement will be limited to the expenses of transportation for one round trip and lodging for up to five nights. Compensation for automobile expenses, if driving a personal vehicle, will be at the current mileage rate. If public transportation is used, accommodations should be in the economy or tourist class and the employee becomes eligible for reimbursement of rental car expenses incurred in the destination location.

MOVEMENT OF HOUSEHOLD GOODS

The Plan will cover the cost of packing, moving, storing (for a maximum period of 90 days, provided the storage days fall within the one year relocation period), and unpacking of the employee's household goods and personal effects. Insurance on such items while in transit will also be provided.

Second Move

The Plan will cover the cost of packing, moving, insurance while in transit, and unpacking of the relocating employee's household goods and personal effects for a second move at the destination location as long as the additional move is from a company-provided temporary residence to a permanent residence and it takes place within one year of the effective date of the relocation.

Transportation of Automobiles and Recreational Vehicles That Can be Transported to the Destination Location Under Their Own Power

The Company will pay the current mileage allowance for up to three vehicles that can be transported to the destination location under their own power by the most direct route. Shipping of one of the three automobiles at Company expense is permitted if the distance to the destination location is over 400 miles. Any other shipment of automobiles or recreational vehicles is permitted at the employee's discretion and at the employee's expense less the mileage allowance.

If one vehicle is shipped, mileage reimbursement will be limited to two vehicles; otherwise, reimbursement is limited to three vehicles.

Transportation of Other Recreational Vehicles

Employees are encouraged to tow their recreational vehicles (e.g. boats, horse trailers, travel trailers, snowmobiles, motorcycles, motorized golf carts, etc.) and the Company will pay one-half the current mileage allowance as reimbursement for the towing.

FINAL TRIP EXPENSES

Transportation and up to three nights of lodging expenses for the relocating employee and household members en route to the destination location will be covered. Compensation for automobile expenses, if driving, will be at the current mileage rate. If public transportation is used, accommodations should be in the economy or tourist class.

The Plan will not cover additional expenses incurred due to failure of an automobile. If an employee's automobile has mechanical problems and cannot finish the trip, it will be assumed the automobile did finish the trip and reimbursement will be for the total miles by the most direct route from the departure location to the destination location at the current mileage rate.

TEMPORARY LIVING EXPENSES

When it is not possible to coordinate the day of leaving the departure residence and occupancy of the destination residence, lodging expenses will be reimbursed for the relocating employee and household members. The maximum time allowed for temporary living is 30 days for hourly and non-exempt level employees and 60 days for exempt level employees.

EXCEPTION & INCIDENTAL ALLOWANCE

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

- Vehicle inspection, automobile registration, driver's licenses
- Utility disconnect/ hook-up charges
- Homeowner's association dues
- Gratuity to movers
- Home warranty policy
- Additional meal expenses due to travel or living in temporary accommodations
- Movement of mobile home
- Pet transportation
- Home site expenses due to travel or living in temporary accommodations, including child and/or pet care, house sitter, lawn maintenance and/or snow removal
- Shipment of additional vehicle(s)
- Rental car during personal vehicle transport
- Additional days in temporary housing
- Any other expense not specifically covered under another provision of the Plan

RELOCATION ALLOWANCE

The Company will pay the relocating employee a one-time lump sum relocation allowance to cover expenses incurred by the employee and household members during the relocation. Documentation of actual expenses is not required.

Employees are not eligible for *both* the Exception & Incidental Allowance and the Relocation Allowance – See the *Benefits Provided* section for a list of benefits associated with each type of relocation.

HOME SALE ASSISTANCE

Eligible Properties

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

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

- The employee's primary residence; title must be in the employee's name (or held jointly with their spouse/ domestic partner) when the relocation is authorized
- Zoned residential
- A one or two family residence
- Structurally sound and not have excessive levels of radon, asbestos, lead paint or other toxic substances, including urea formaldehyde, polybutylene plumbing/piping, and synthetic stucco (External Insulated Finish Systems)

- A mobile or modular home on a permanent foundation on land which the employee owns. The wheels and axles must have been removed from the mobile home to qualify as permanent
- Able to qualify for mortgage financing

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

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

Home Sale eligibility is subject to title searches and inspections, including, but not limited to: moisture, septic tank and drain field inspection, water availability, water quality test, radon and other toxic substance inspection, structural and pest inspections. In addition, if the employee is uncertain whether necessary permits/approvals were obtained for work done before the employee purchased the property, the Relocation Company will request confirmation through the listing broker. If the Company, in its sole discretion, determines through professional consultation that a problem exists in any of the aforementioned areas or any other areas, the Company reserves the right to exclude the employee's home from the Home Sale Assistance Program. Primary Homes that are not eligible for home sale assistance may qualify for direct reimbursement of reasonable and actual home sale costs, as outlined in the section *Ineligible Properties*.

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

Timing of Home Sale

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

Marketing Assistance Program

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

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

Guaranteed Offer

If after listing the home for 60 days, the home has not been sold, the Relocation Company will offer to purchase the employee's property at its Most Probable Sales Price. Most Probable Sales Price will be determined by the average of two independent appraisals. The employee will choose the appraisers from an approved list supplied by the Relocation Company. If the two appraisals are more than 5% apart, a third appraisal will be obtained. In the case of a third appraisal, the offer to purchase will be the greater of a.) the average of all three, or b.) the average of the two closest of the three appraisals. The Relocation Company may disregard an appraisal with a valuation it considers to be unsupportable, provided that another appraiser replaces the disregarded appraisal. Employees can secure copies of the appraisals from the Relocation Company.

If the inspection results for the home are not satisfactory, the Relocation Company may discontinue the Program or cancel the contract, have reasonable repairs done to correct the problems disclosed by the inspection(s) and deduct the amount from the equity paid to the employee, or require the employee to make reasonable repairs at their expense.

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

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

Amended Value Sale

If the employee secures a sale after initiating the Marketing Assistance Program, whether before or after the Guaranteed Offer, the employee MUST NOT indicate acceptance, take any money or sign documents, which would constitute acceptance of the offer until reviewed by the Relocation Company. The Relocation Company will use its best efforts to determine that 1) the offer is in good faith, and (2) all contingencies and proposed terms between the employee and the buyer are acceptable. If these conditions are met, the Relocation Company will amend their offer to equal the net value of the third party offer price.

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

Employee Declination

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

HOME SELLING COSTS

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

The following home selling expenses are covered by the Plan:

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

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

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

Employee Sells Home Directly

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

Ineligible Properties

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

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

HOME SALE INCENTIVE

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

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

Sale Within 97% of Guaranteed Offer

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

EQUITY ADVANCE

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

HOME PURCHASE COSTS

If the relocating employee was a renter at the departure location and purchases a home at the destination location within one year of the transfer date, the Company will reimburse the employee up to a maximum of $1,000 towards these costs.

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

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

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

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

LOSS-ON-SALE

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

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

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

Loss-on-Sale Formula:

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

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

DUPLICATE HOUSING EXPENSES

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

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

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

LEASE CANCELLATION

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

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

SPOUSAL EMPLOYMENT ASSISTANCE

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

ALLOWED TIME OFF

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

OTHER PROVISIONS

BENEFIT ADVANCES

For Transferred Employees, both Exempt and Non-Exempt level, and New Employees, *Greater than Mid-Point of Grade 10*, funds may be advanced to the employee by the Relocation Company prior to reconciliation of all relocation expenses. The following guidelines should be used if issuing funds as an advance:

- Exception & Incidental Allowance – 90%
- Relocation Allowance — 60%
- Advance trip, final trip, and temporary living expenses, lease cancellation fees, selling costs, and loss-on-sale reimbursement and purchase costs, other than loan origination fees— 90%
- Loan origination fees, duplicate expenses, and home sale bonus — 60%
- No advance for home purchase costs when a national mortgage lender, as provided through the Relocation Company, direct bills for home purchase costs.

For New Employees, *Less than Mid-Point of Grade 10* electing the lump sum option, the total advance cannot exceed $3,000. For those employees electing the reimbursement of allowable relocation expenses, advances will be limited to no more than 60% of the total expenses.

Advances to the prospective Co-ops and Interns of up to 60% of the lump sum payment may be made thirty (30) days before their employment start date.

REIMBURSEMENT TIME LIMITS & RECONCILLIATION

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

EXCEPTIONS

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

PLAN IMPLEMENTATION

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

PARTICIPATION BY ASSOCIATED COMPANIES AND ORGANIZATIONS

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

MODIFICATION AND TERMINATION

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

TAXES

TAX TREATMENT OF EXPENSES

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

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

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

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

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

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

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

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

TAX ASSISTANCE

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

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

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

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

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

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