

U.S. DOMESTIC TEMPORARY ASSIGNMENT ASSISTANCE PLAN

GENERAL

PURPOSE

The purpose of this Plan is to enable Marathon Oil Company (hereinafter referred to as “The Company”) to relocate employees on a temporary basis as efficiently as possible and to minimize the cost and inconvenience to such employees.

TYPES OF EMPLOYEE ASSIGNMENTS

This Plan provides separate provisions for the following types of temporary assignments:

- Short-Term Temporary Assignment, *Assignment duration of 3 months or less*
- Long-Term Temporary Assignment, *Assignment duration greater than 3 months and less than one year*

ADDITIONAL ASSIGNMENT INFORMATION

- Temporary Assignment Benefit Provisions
- Other Provisions
- Frequently Asked Questions
- Taxes

ELIGIBLE EMPLOYEES

To be eligible, the 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.

- 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.

The assignment does not qualify as a temporary assignment if the duration is expected to last more than one year. Upon completion of a temporary assignment, it is expected that the employee will return to the same organization in the same geographic location where they originated.

For the purposes of this Plan, household members include individuals who reside with the employee in the permanent residence at the departure location (e.g. spouse, domestic partner, dependents).

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 Temporary Assignment Assistance Plan as needed.

BENEFITS PROVIDED (See **Temporary Assignment Benefit Provisions** Section for Details)

	Short-Term Temporary Assignment (≤ 3 months)	Long-Term Temporary Assignment (> 3 months but < 1 year)
Travel Expenses	X	X
Allowed Time Off	X	X
Movement of Household Goods		X
Temporary Living Expenses	X	X
Meal Allowance	X	X
Transportation at Destination Location	X	X
Home Site Expenses	X	X
Home Trips	X	X

TEMPORARY ASSIGNMENT BENEFIT PROVISIONS

TRAVEL EXPENSES

Transportation and up to three nights of lodging expenses for the relocating employee and household members to and from the destination location will be covered. The transportation may be by Company car, rental car, personal vehicle, flight or other public transportation method. Compensation for personal automobile expenses, if driving, will be at the current mileage rate and limited to one vehicle for unaccompanied or single employees or two vehicles if employee is accompanied by their household members. If a Company vehicle or rental car are used, fuel expense will be reimbursed. If public transportation is used, accommodations should be in the economy or tourist class.

ALLOWED TIME OFF

Affected employees will be allowed a maximum of 5 days of time off from work with pay for travel to and from the destination location for a qualifying temporary assignment.

MOVEMENT OF HOUSEHOLD GOODS

For employees on a Long-Term Temporary Assignment, the Plan will cover the movement of up to 1,000 pounds of the employee’s personal effects.

TEMPORARY LIVING EXPENSES

The Company will provide temporary living accommodations for the employee and accompanying household members for the duration of the temporary assignment. The Relocation Company will work with the employee to locate available housing at the destination location.

MEAL ALLOWANCE

The Company will pay the employee a monthly lump sum meal allowance of \$750 to assist with the cost of meals while in temporary housing. This amount may be prorated based on days in temporary accommodations, including travel days to and from the destination location. No other reimbursement for meal expenses while on temporary assignment will be provided.

TRANSPORTATION AT DESTINATION LOCATION

It is expected employees will use their personal vehicle at the destination location. However, for such time a personal vehicle is not at the destination location or cannot be made available, the employee will be provided with a rental or Company car. The employee will not be reimbursed for fuel expenses while on the temporary assignment.

HOME SITE EXPENSES

An employee who must compensate a provider for the care of dependent children, elderly parents and/or an incapacitated spouse during the temporary assignment that requires the employee to be away from home at least one night, will be reimbursed according to the following provisions:

- An allowance up to \$60 per day for the first dependent child and up to \$35 for each additional dependent child.
- An allowance up to \$60 per day for care of an incapacitated spouse.
- An allowance up to \$60 per day for care of an elderly parent and up to \$35 for each additional elderly parent.
- The provider cannot reside in the employee's home.
- The provider cannot be the parent of the dependent child(ren).
- The employee cannot be reimbursed for care that is normally provided while the employee is working at the home work location.
- The employee must submit valid receipts from the service provider containing the following:
 - Name, address and telephone number of provider
 - Statement of services provided
 - Date, time and cost of service

An employee whose primary residence is not occupied by a household member during the temporary assignment will be reimbursed for expenses not normally incurred, accordingly:

- Animal care — Up to \$15 per day, per animal, for up to two animals.
- House sitter or house check services — Up to \$25 per week, so long as the provider of such service is not a household member and the residence is unoccupied for a period in excess of seven days.
- Lawn maintenance — Up to \$35 per week for lawn maintenance for assignments in excess of seven days.
- Snow removal — Up to \$30 per week for snow removal as needed.
- The employee must submit valid receipts from the service provider containing the following:
 - Name, address and telephone number of provider
 - Statement of services provided
 - Date, time and cost of service

HOME TRIPS

Employees who are accompanied or single are eligible for round trip transportation costs for one weekend home trip every two months. Employees who are unaccompanied by their household members are eligible for round trip transportation costs for one weekend home trip every two weeks. Compensation for automobile expenses, if driving a personal vehicle, will be at the current mileage rate. If a rental car is used, fuel expense will be reimbursed. If public transportation is used, accommodations should be in the economy or tourist class.

OTHER PROVISIONS

REIMBURSEMENT TIME LIMITS & RECONCILIATION

The time limit for submitting expenses for reimbursement is one year from the date the expense is incurred. 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 temporary assignment 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.

FREQUENTLY ASKED QUESTIONS

- ① Is mileage or gas reimbursed for the commute from the temporary housing to the office in the destination location?
 - No, mileage or gas reimbursement is not provided.

- ② Is mileage or gas reimbursed for personal travel within the destination location (e.g. going to the grocery store, bank, club, etc.)?
- No, mileage or gas reimbursement is not provided.

Note: Mileage is reimbursed for the first trip to the destination and the final return trip to the departure location as well as qualifying home trips. There may be other times where mileage or gas is reimbursed such as business trips, trips to the field, etc. but these details are not covered by this Plan.

- ③ Can home trips be more frequent than what is stated in the Plan?
- Additional trips must be approved per the exception process described in the *Other Provisions* section of this Plan.
- ④ Will mileage reimbursement or flight expense be provided if the employee's spouse travels in lieu of the employee during a home trip?
- Yes.
- ⑤ Are weapons allowed in temporary housing?
- Contact your HR Business Partner for details regarding the corporate Weapons Policy and local requirements.

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.

As governed by the IRS, the “realistic expectation” of assignment duration and the maintenance of a permanent residence at the departure location determine whether the benefits in this Plan are taxable. Based on these factors, the tax treatment of reimbursed travel and lodging expenses is described below:

- Assignment Expected to Last (And In Fact Does Last) One Year or Less — Non-taxable.
- Assignment Expected to Last More Than One Year — Taxable, regardless of whether the assignment exceeds one year, except for reimbursements that qualify as excludable moving expenses.
- Assignment Initially Expected to Last One Year or Less, but Later Expected to Last More Than One Year — Reimbursements for expenses incurred before the change in expectation are non-taxable. Reimbursements for expenses incurred on or after the change in expectation are taxable, except for reimbursements that qualify as excludable moving expenses.
- Reimbursed Expenses for Household Members — Taxable, regardless of length of assignment, except for reimbursements that qualify as excludable moving expenses.
- Maintenance of Permanent Residence at the Departure Location — Reimbursement of expenses incurred after disposal of home are taxable, except for reimbursements that qualify as excludable moving expenses.

Reimbursed home trips, home site expenses, and the lump sum meal allowance are taxable expenses regardless of the assignment duration and the maintenance of a permanent residence.

All taxable temporary assignment 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
- The travel and lodging (not meals) for the employee and their household members during the final move

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 temporary assignment 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.

TAX ASSISTANCE

The Company will provide tax assistance for federal, FICA and state income taxes to help offset the tax burden associated with taxable temporary assignment 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 on Company reimbursed temporary living expenses incurred after an employee has disposed of their home at the departure location.

The FICA tax assistance is calculated by using the rates and wage base in effect for the year in which the temporary assignment 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 temporary assignment 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.