

## **Policy Concerning Severance Agreements with Senior Executive Officers**

- Purpose:** It is the purpose of this policy to establish guidelines under which the Board of Directors ("Board") should seek shareholder approval or ratification of any agreement that provides Severance Benefits to Senior Executive Officers of Marathon Oil Corporation ("Marathon").
- Effective Date:** This policy shall apply to all Severance Agreements with Senior Executive Officers entered into or modified on or after February 1, 2005.
- Definitions:**
- "Severance Agreement" means an agreement which contains a provision for payment of Severance Benefits upon termination of employment with Marathon or its subsidiaries or affiliates, excluding any change in control agreement entered into consistent with Marathon's policy adopted in 2001, pursuant to which all senior officers of Marathon and its subsidiaries are to be extended change in control agreements in substantially the form previously filed with the Securities and Exchange Commission and incorporated by reference as Exhibit 10(d) to Marathon's annual report on Form 10-K for the year ended December 31, 2003; provided, however, that agreements the Compensation Committee of the Board determines are necessary as a material inducement to a person hired to be a Senior Executive Officer shall not be subject to this policy.
- "Senior Executive Officer" means the chief executive officer, chief financial officer, or any executive vice president or senior vice president of Marathon Oil Corporation.
- "Severance Benefits" means payments in cash, including lump-sum retirement cash payments exceeding the benefit amounts that he or she would otherwise be entitled to receive under the terms of Marathon's qualified and non-qualified pension plans and benefit plans, such as cash payments in lieu of medical benefits.
- Policy:** The Board should seek shareholder approval (or ratification by shareholders at the first annual shareholder meeting after the date as of which Marathon enters into a Severance Agreement) of any Severance Agreement with a Senior Executive Officer entered into or modified in any material respect on or after February 1, 2005 that requires payment of Severance Benefits in an amount exceeding 2.99 times the sum of the Senior Executive Officer's base salary plus bonus paid or awarded during the immediately preceding calendar year.