



**Report of Lobbying and Political Contributions**  
**For Fiscal Year 2014**

**Political Contributions and Lobbying Expense**

**2014 Corporate Contributions to Tax Exempt 527 Organizations<sup>1</sup>**

<i>Name of Recipient</i>	<i>Amount</i>
Republican Governors Association	\$100,000 <sup>2</sup>
Republican State Leadership Committee	\$110,000

**Lobbying Portion of 2014 Trade Association Dues and Payments<sup>3</sup>**

<i>Name of Recipient</i>	<i>Amount<sup>4</sup></i>
American Petroleum Institute	\$1,065,179
Business Roundtable	\$120,912 <sup>5</sup>
U.S. Chamber of Commerce	\$340,000

During 2014, Marathon Oil did not make any independent political expenditure in support of, or in opposition to, a candidate or political party nor did it make any direct contribution in support or defeat of a ballot measure or referendum.

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<sup>1</sup> Inclusive of payments made totaling more than \$35,000 to tax exempt organization that have been organized under Section 527 of the Internal Revenue Code (“Tax Exempt 527 Organizations”).

<sup>2</sup> Contribution paid in December 2013 for fiscal year 2014.

<sup>3</sup> Includes trade associations (i) which notified Marathon Oil of the portion used by that organization for expenditures or contributions that if made directly by Marathon Oil would not be deductible under Section 162(e) of the Internal Revenue Code and (ii) those portions of payments by Marathon Oil were greater than \$35,000 in 2014.

<sup>4</sup> Reported amount represents the estimated portion of Marathon Oil’s dues or payment that if made directly by Marathon Oil would not be deductible under Section 162(e) of the Internal Revenue Code and is based upon information requested and received by Marathon Oil. Reported amounts do not include amounts for which the trade association directly pays tax on the portion that is not deductible under Section 162(e) of the Internal Revenue Code.

<sup>5</sup> Includes \$33,462 paid in December 2013 for fiscal year 2014 and \$87,450 paid in 2014 for fiscal year 2015.



## **Political Contributions and Lobbying** **Policies and Procedure**

### **Marathon Oil Policy and Practices**

Marathon Oil encourages responsible energy development and works to contribute to economic progress and build a sustainable company. We promote sound, fact-based public policies that support these goals, and believe that public/private collaboration is needed to address the significant issues facing our industry, communities and society.

Marathon Oil believes that compliance with laws and regulations is non-negotiable and essential to earning and preserving our license to operate. We remain committed to meeting or surpassing legal and regulatory requirements while being a cost-effective operator, adding value for shareholders, offering competitive employment opportunities, protecting the environment and positively impacting communities where we live and work. We also work to have a voice in regulatory and legislative decisions that affect Marathon Oil and our ability to conduct business. As such, we also are committed to participating in the public policy process on issues relevant to our Company and industry.

To meet this commitment, our policies provide that the Company may use or contribute funds, property or services, including, but not limited to, the use of meetings rooms, computer or mailing services and other Company resources, either directly or indirectly, to help the nomination or election of any candidate to public office or supporting any referendum or other issue-related campaign or supporting political parties, provided such activity is permitted by applicable law and only when approved by Marathon Oil's Chief Executive Officer or Executive Vice President, General Counsel.

### **Individual Political Participation**

Marathon Oil also recognizes that individual employees have the right to support candidates for public office and make personal financial contributions to the election campaigns of candidates of their choice. While Marathon Oil does not discourage such individual political activity or campaign support, all such activities are at the employee's sole direction and expense and no reimbursement in any form shall be made by the Company. Further, no partisan political activities by any employee shall be conducted on Marathon Oil's premises or on Marathon Oil's time or utilizing Marathon Oil resources or under any circumstances which could create the appearance that such activity is sponsored by Marathon Oil, unless such activity is approved by the Chief Executive Officer or Executive Vice President, General Counsel.

### **Board Oversight**

The Health, Environmental, Safety and Corporate Responsibility Committee ("Committee") of the Board of Directors ("Board") is responsible for maintaining an oversight function regarding political, charitable and educational contributions which is inclusive of trade associations and other tax-exempt organizations. This oversight function includes lobbying expenditures, which are annually reported to the Committee. Moreover, the Committee periodically reviews and makes recommendations to the Board on, and monitors the Company's

compliance with, the Company's policies, programs and practices concerning, among other things, social, public policy and political issues.

### Political Contributions

#### *Corporate Contributions*

In 2014, Marathon Oil contributed \$19,000, where allowed by law in the U.S. and Canada, to candidates, political party organizations and political action committees. Contributions are made to candidates who support responsible energy development, are based solely on a candidate's position on business issues and are made without regard for the individual political preferences of executives. For Marathon Oil's contributions to Tax Exempt 527 Organizations which exceed \$35,000, please see the 2014 Report of Lobbying and Political Contributions as discussed above.

#### *Marathon Oil Company Employees Political Action Committee*

Eligible employees may contribute to candidates for U.S. federal and state elected office through the Marathon Oil Company Employees Political Action Committee (MEPAC). In 2014, MEPAC donated approximately \$233,900 to 183 candidates, political party organizations and political action committees. Contributions are made to candidates who support responsible energy development, are based solely on a candidate's position on business issues and are made without regard for the private political preferences of executives. MEPAC is registered with the U.S. Federal Election Commission (FEC) and complies with all FEC, state and local rules and reporting requirements. All MEPAC contributions are publicly disclosed on the website of the Federal Election Commission.

#### *Marathon Oil Company Political Action Committee of Texas*

Contributions made to candidates and political action committee at the state and local level in Texas are made through the Marathon Oil Company Political Action Committee of Texas (MOCPAC-TX). In 2014, MOCPAC-TX donated approximately \$68,250 to 54 candidates and political action committees. Contributions are made to candidates who support responsible energy development, are based solely on a candidate's position on business issues and are made without regard for the private political preferences of executives. MOCPAC-TX is funded solely by contributions from MEPAC. MOCPAC-TX is registered with the Texas Ethics Commission and complies with all Texas rules and reporting requirements.

### Working with Regulators and Policy Makers (Lobbying)

Marathon Oil believes that U.S. state governments are best positioned to formulate and enforce appropriate regulatory oversight for oil and gas operations due to their understanding of local and regional conditions and needs. Additionally, some proposed federal regulations are duplicative or conflict with existing state regulations and would slow economic development if enacted.

Marathon Oil continues to work with U.S. federal and state legislative and regulatory agencies on issues affecting our significant holdings in unconventional resource plays. In addition, Company subject matter experts in hydraulic fracturing, well integrity, drilling, completions, safety practices and water management review proposed regulations and legislation, provide testimony to legislative bodies and participate in industry working groups. Our employees also collaborate with stakeholder groups and industry working groups to address concerns through mutually acceptable solutions.

In 2015, we will continue to promote responsible, state-based regulation of hydraulic fracturing; safe and reliable infrastructure; tax regimes that encourage investment; regulations that promote clean air and water while enabling energy development; and consistent permitting processes. Through our participation in the Producers for American Crude Oil Exports (PACE) coalition, we will advocate for access to global markets for U.S. crude oil. In addition, we will conduct education sessions on oil and gas and tours of our U.S. operations for legislators and regulators.

#### *Public Disclosure*

Our Government Relations Organization arranges all lobbying contact for the Company with U.S. federal legislators, federal executive branch officials or their staff members or state or local government officials. As stated in the *Living Our Values 2014 Corporate Social Responsibility Report*, part of our 2014 corporate commitments include participation in the public policy process and maintaining employee awareness on issues relevant to our Company and industry, while meeting or surpassing legal and regulatory requirements.

Our federal lobbying expenditures are publicly disclosed to Congress. These quarterly, semi-annual, and annual filings report the Company's federal lobbying expenditures on an aggregate basis, and include consulting services, federal grassroots lobbying, direct contact lobbying, and trade association dues attributable to federal lobbying. These reports are publicly available and can be found on the websites of the Office of the Secretary of the U.S. Senate and the Office of the Clerk of the U.S. House of Representatives.

- Marathon Oil maintains and files Lobbying Disclosure Act Registration and Reports (Forms LD-2) which can be found at: [http://www.senate.gov/legislative/Public\\_Disclosure/LDA\\_reports.htm](http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm)
- Marathon Oil and its registered federal lobbyists must also file semi-annual reports (LD-203) detailing, among other things, MEPAC disbursements and personal and/or direct contributions to federal candidates. These forms can be found at: [http://www.senate.gov/legislative/Public\\_Disclosure/LDA\\_reports.htm](http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm)

Our policy is to comply with all federal, state and local lobbying and ethics laws where we operate. Our registered lobbyists are also required to comply with all federal, state and local lobbying and ethics laws and related reporting obligations in accordance with our agreements with them. Currently, the Company or its registered lobbyists provide disclosures on lobbying activities in the states where we do business. In some states where we have lobbying activities, no report is required to be filed by the Company, but the Company's registered lobbyists are required to report certain lobbying expenditures and activities made on our behalf. These reports can be found in the public domain on the states' websites.

#### Information on Marathon Oil's Corporate Contributions

As part of our continued commitment to good governance and transparency, we are pleased to provide a voluntary report of corporate contributions made to Tax Exempt 527 Organizations. We are also providing a report, based upon information provided by trade associations which Marathon Oil is a member, of the lobbying portion of payments and dues to trade organizations that if made directly by Marathon Oil would not be deductible under Section 162(e) of the Internal Revenue Code.

- 2014 Report of Lobbying and Political Contributions (see above)

#### Trade Associations

For the trade associations which inform the Company a portion of annual dues were used for lobbying and those portions of payments by Marathon Oil were greater than \$35,000, Marathon Oil discloses the name of the trade association and the dollar amount used for lobbying in its 2014 Report of Lobbying and Political Contributions as discussed above.

Tax Exempt 527 Organizations

For Tax Exempt 527 Organizations where Marathon Oil has contributed \$35,000 or more, Marathon Oil discloses the name of the organization in its 2014 Report of Lobbying and Political Contributions as discussed above.