



MARATHON OIL COMPANY EMPLOYEES POLITICAL ACTION COMMITTEE

MEPAC BOARD/AMBASSADOR REFERENCE GUIDE

TABLE OF CONTENTS

	Page
<u>PACs at a Glance</u>	3
<u>About MEPAC</u>	
MEPAC Mission	5
Why Do We Need A PAC?	5
Who is Eligible to Participate?	6
Voluntary & Confidential Participation	6
Contribution Method	6
Contribution Guidelines	6
President's Circle	6
MEPAC Match Program	6
MEPAC Communications	6
Criteria for Candidate Support	7
Candidate Contributions	7
Federal Reporting Requirements	7
<u>Your Role as a MEPAC Board Member/Ambassador</u>	
Role of MEPAC Board/Ambassadors	8
MEPAC Board/Ambassador Responsibilities	8 - 9
Solicitation Dos and Don'ts	10
Answering Difficult Questions	11
Guidelines for New Hire Meetings	12
<u>MEPAC Communications for New Hire Meetings</u>	
Sample Invitation	13
Sample Follow-up Letter to Attendees	14
Sample Letter to Non-Attendees	15
Suggested Agenda & Format	16
Draft Opening Remarks	17
MEPAC Evaluation Report	18

PACs AT A GLANCE

The Role of PACs in Politics

Since the early 1970's, political action committees have become an important element in financing the political campaigns of congressional, state and local candidates. While PACs have been a part of the political process for nearly a generation, few people understand their role. Yet, there's nothing very complicated about them.

A PAC is nothing more than a group of individuals who have decided to pool their financial resources to help elect candidates to public office who share the group's interests and concerns about public policy issues. Any group of U.S. citizens or nearly any U.S. organization can form a PAC.

Although this definition of PACs is reduced to its simplest terms, it points to two critical aspects about our nation's method of financing political campaigns.

First, PACs are a logical extension of our democratic process. PACs are made up of people who recognize that there is strength in numbers. Throughout our country's history, groups of like-minded citizens have joined together to ensure that their voices are heard in the political process. PACs are helping to ensure that ordinary citizens can – and do – play a role in the election of qualified people to represent them in government.

Second, PACs are an important source of funds to candidates. Candidates look to every source for campaign support, including individuals, political parties, their own personal resources and political action committees.

PACs at the federal and state level play a role in strengthening representative government by getting more people involved in the political process. PACs provide people, many of whom have never done anything more political than vote, a convenient and meaningful way to exercise their citizen rights.

There are over 4,600 PACs in existence at the federal level today and thousands more at the state level. The importance of our PAC is significant. MEPAC's objective is to bring our employees – both as citizens and as representatives of our business – together for effective political action. Through the voluntary support of Marathon Oil employees, MEPAC is able to help elect candidates who share our concerns on major issues that affect the company and each of its employees.

Legal Parameters

Today's federal law limits individuals from giving more than \$2,600 to candidates (per election) and \$5,000 to PACs (annually) and PACs from giving more than \$5,000 per candidate per election. Further, it specifically prohibits corporations and other organizations from using treasury funds for federal campaign contributions. Corporations are allowed to establish PACs and solicit voluntary donations from certain eligible employees as specified by law. State laws vary as to contribution limits and other restrictions. Currently, 30 states, however, do allow corporate contributions either without limit or with some restrictions.

Further, federal law and most state laws require both the contributing group and the candidate to file periodic reports of all receipts and expenditures to governmental regulatory bodies. As a result, the election campaign process is open for public inspection to see how much individuals, political parties and PACs are giving to political candidates.

Non-connected and Connected PACs

PACs sponsored by corporations, trade and professional associations, labor unions and other organizations are "connected PACs." On the federal level, sponsoring organizations may pay the administrative and solicitation costs of their PACs, and every dollar given to these PACs can be contributed directly to candidates. Connected PACs are restricted, however, to soliciting certain groups of individuals under federal law. Corporate PACs are generally limited to soliciting contributions from the company's eligible employees.

There are significant differences in focus and objectives among connected PACs. Some are "ideological" PACs that support only those candidates who reflect their views. Other PACs contribute to almost any candidate who requests support. A majority of corporate and trade PACs, however, use more practical criteria for supporting candidates based on voting records, issue positions, constituent relationships and other factors.

Non-connected PACs are independent entities that do not have sponsoring organizations. These PACs represent all ranges of the political spectrum, from very conservative to very liberal. Non-connected PACs may solicit any U.S. citizen; however, their administrative and solicitation costs must be paid from the dollars they raise. As a result, often more than 50 percent of a contributor's donation is used to defray operating costs.

ABOUT MEPAC

MEPAC Mission

MEPAC is a voluntary, nonpartisan political contribution fund established to protect and promote the future success of Marathon Oil by providing financial support to state and federal candidates who understand and support our business and industry.

MEPAC Overview

MEPAC's focus is on candidates and elected officials whose voting record and position on key issues indicate they advocate public policy in the best interest of Marathon Oil and our industry. All contributions made to MEPAC go directly to support candidates, helping to build relationships, and educating them on the issues affecting our industry and Company. MEPAC can contribute to candidates and elected officials for federal and state offices.

One of the most convenient and effective ways for Marathon Oil employees to be politically active is through MEPAC. Support of MEPAC ensures our voice will be heard within the political process. MEPAC is an essential tool in supporting our political involvement.

Many times, decisions are made by lawmakers at the federal and state levels without all the facts about our Company or industry. As informed employees, it is up to each of us to maximize and coordinate our political efforts. MEPAC enables us to do just that. MEPAC Membership Campaigns help ensure that Marathon Oil and its employees make a difference politically, which ultimately makes a difference to our bottom line—and all of our futures.

Why Do We Need A PAC?

Political Action Committees, or PACs, are an effective way for employees to support candidates for office who have our best interest in mind. The PAC supports candidates who are willing to listen to the Company's position on issues of interest to the company and our employees. Marathon Oil is permitted to fund the administrative costs associated with operating a PAC—ensuring the total amount of all contributions to MEPAC are used to help support candidates. This is why MEPAC is critical to our success in the political arena.

Who Is Eligible to Participate?

The Federal Election Commission (FEC) and federal law regulates those who are eligible to participate in the PAC. Those employees are the “restricted” or eligible class of a company, consisting of a company’s executive and administrative personnel (e.g., those who have policymaking, managerial, professional or supervisory responsibilities) and stockholders. Additionally, you must be a U.S. citizen, or carry a green card to participate in the PAC. We work with Marathon Oil’s Law organization to ensure we comply with these and all applicable federal, state and local rules regulating our PAC. Every individual we solicit meets these eligibility standards.

Voluntary & Confidential Participation

Participation in MEPAC is voluntary and as confidential as the law allows. Within Marathon Oil, only the MEPAC Manager, PAC administrative personnel and necessary payroll personnel have access to contribution information.

Contribution Method

Employees are encouraged to contribute through payroll deduction, although contributions can be made by check. Through payroll deduction, a pro-rated amount of the employee’s annual contribution is deducted each pay period. There is a \$5,000 individual maximum contribution per year to the PAC.

Contribution Guidelines

MEPAC suggests that eligible employees choose one of the support levels highlighted on the [MEPAC website](#) or membership form. The suggested amount is only a suggestion and employees may contribute more or less, or not at all, without fear of reprisal. The amount given by the employee, or the refusal to give, will not benefit or disadvantage the employee being solicited.

President’s Circle

Contributors giving at the recommended level of support are eligible for The President’s Circle. This includes invitations to additional events with the executive leadership team and outside speakers.

Matching Program

The Match Program is an added benefit to becoming a MEPAC member. Under the program, if an employee contributes \$200 or more to MEPAC during the fiscal year, the Company will match the contribution dollar for dollar, with a matching donation that can be designated to an eligible organization of their choice.

MEPAC Communications

MEPAC is committed to regularly communicating with all PAC-eligible employees. Eligible employees will receive PAC communication materials on a regular basis.

Criteria for Candidate Support

The MEPAC Board meets regularly to discuss contributions to candidates seeking office, based on recommendations from Government Affairs representatives. They recommend candidates to the Board using the following criteria:

- The candidate's position or voting record on issues of direct concern to Marathon Oil and our operating areas;
- The candidate's position on key committees where legislation of importance to Marathon Oil is considered or the candidate's demonstrated leadership, or potential for leadership, within Congress or a state legislature;
- Knowledge and support of our industry;
- Supportive of pro-business regulation;
- Background and experience; and
- The candidate's ability to get elected and the need for financial assistance.

Candidate Contributions

MEPAC may contribute to federal candidate campaigns at any time during an election cycle. However, it is limited to contributing no more than \$5,000 per federal candidate, per election (primary, general or special). MEPAC may also contribute to state candidates during an election cycle, subject to applicable state campaign finance laws.

Federal Reporting Requirements

Federal law requires Marathon Oil to report to the FEC the name, mailing address, occupation and name of employer for individuals whose aggregate contributions exceed \$200 in a calendar year. MEPAC must also report all aggregate receipts and expenditures to the FEC on a periodic basis (monthly and/or quarterly).

Role of MEPAC Board and Ambassadors

Board Members and Ambassadors are a key link in the execution of our goals. As a respected employee, you put a personal “face” to MEPAC by giving interested employees an opportunity to talk with a knowledgeable PAC representative directly.

Board Member Roles & Responsibilities

- Adhere to all campaign finance rules and regulations.
- Attend an in person legal training session.
- Carefully consider, provide input and then vote on issues brought before the Board for consideration.
- Attend bi-monthly board meetings either in person or via teleconference.
- Participate in at least one MEPAC event per year.
- Assist in identifying and developing future board members from your area.
- Assist with the solicitation efforts for MEPAC eligible employees in respective areas.
- Participate on MEPAC Committees (as applicable).
- Consider financially supporting the PAC at the recommended level.
- Develop and maintain a strong relationship with the management of your area and provide updates on MEPAC activities by communicating regularly with PAC eligible.

Ambassador Roles & Responsibilities

- Adhere to all campaign finance rules and regulations.
- Attend an in person legal training session.
- Serve as the “point of contact” for MEPAC in their respective region/area and be a MEPAC spokesperson during the membership campaign.
- Schedule and conduct meetings for new hire employees, with guidance from the MEPAC Manager.
- Work with MEPAC Team, Board and Government Affairs with outreach/solicitation activities, including assisting in the coordination of events.
- Provide input for program facilitation.
- Participate on MEPAC Committees (as applicable).
- Consider financially supporting the PAC at the recommended level.

Dos and Don'ts – Soliciting for MEPAC

Do:

- **Explain the political purpose of MEPAC.** Point out that its aim is to support candidates who understand the concerns and interests we share as employees. All contributions made to MEPAC go directly to candidates helping to build relationships and educating them on the issues impacting our industry and company.
- **Explain that contributions to MEPAC are strictly voluntary** and that an employee's personal decision to contribute, or not to contribute, may be made without fear of reprisal and will neither help nor hurt their present or future position at Marathon Oil.
- **Explain the amount of the contribution is entirely up to the contributor.** Recommended contribution guidelines may be found on the MEPAC enrollment form or website.
- **Explain why it is important to contribute.** As Marathon Oil employees, we have an opportunity to participate in the political process through MEPAC and have our business interests represented in the process.
- **Inform employees about the tax status of political contributions.** Political contributions are not deductible as charitable donations for federal income tax purposes.

Don't:

- **Solicit contributions from employees who have not been identified by MEPAC for you to solicit.** Remember only eligible employees can receive MEPAC communications or be solicited. Communicating with or soliciting non-eligible employees is a violation of federal law.
- **Solicit any employee one-on-one.**
- **Use high-pressure tactics.** Your discussion should be honest, forthright and persuasive, and in no way coercive. Remember, contributing to MEPAC is strictly voluntary.

ANSWERING DIFFICULT QUESTIONS

Q. Don't PACs buy lawmaker's votes?

A. Absolutely not. PACs are simply groups of individuals with common interests who pool their resources to achieve a common goal. MEPAC supports candidates for political office who understand our business issues.

Q. I contribute personally to candidates. Why should I contribute to MEPAC?

A. It's great that you are involved personally. MEPAC is another level of involvement on behalf of the Company. By pooling our resources, we can participate in many state and federal elections – something few of us can afford.

Q. How will I know what MEPAC is doing?

A. MEPAC members will receive regular updates on the PAC's activities and candidates supported.

Q. Will MEPAC support legislators who vote against our interests? I don't want my money going to them.

A. Some legislators might be opposed to us on one issue, but be our most active proponents on another issue. And of course, we always hope to have the opportunity to present our positions on the issues before they vote. We have supported many legislators on both sides of the aisle.

Q. I know that the PAC is important. But there are a lot of issues that I care deeply about other than those affecting Marathon Oil. Will MEPAC support any candidates based upon their social agenda?

A. I can't guarantee that you will agree with every position on every issue that candidates supported by MEPAC may take. What I can guarantee you is that every candidate supported will understand the business concerns and interests you share with your colleagues and Marathon Oil. That is the only reason that MEPAC exists.

We have to recognize that, although other social issues are important, they are not the reason our PAC exists. We are not all Democrats, and we are all not Republicans. Some of us deeply believe in certain social issues and others of us disagree. MEPAC was not created to divide us. It was created to bring us together—to work on behalf of those issues which we all share as employees—our business interests.

Guidelines for New Hire Meetings

- ☑ Review and become familiar with all materials provided at the MEPAC training session.
- ☑ Set the date and time for your meeting(s). Arrange for adequate meeting facilities and capabilities to show the PowerPoint presentation. Ideally, each meeting should be conducted in groups of no more than 10 people.
- ☑ Work with the MEPAC Manager and Administrator on drafting emails or meeting invites to the eligible employees assigned to you at least seven to 10 days in advance (samples are provided).
- ☑ Be sure to record attendance and ask for support at the leadership level through payroll deductions (sample comments provided).
- ☑ Send each employee who attended a meeting a thank-you letter or email with a follow-up reminder to enroll in the PAC (sample letter provided).
- ☑ Send those who were invited, but were unable to attend any of the meetings, a letter of regret and a request for a contribution to the PAC. Be sure to include a brochure and enrollment form (sample letter provided).
- ☑ After you have finished your MEPAC meetings, send a completed copy of the campaign evaluation on page 18 in this manual to Kathy.
- ☑ Please insert the following disclaimer into all written communications if not attaching the website link.

Marathon Oil Company Employees Political Action Committee (MEPAC) is a voluntary political fund. You have the right to refuse to contribute to MEPAC without any reprisal. Any suggested amount of your contribution is only a suggestion and you are free to give more or less than any suggested amount. The amount of your contribution, or the refusal to contribute, will not benefit or disadvantage any employee. Contributions through payroll deduction will continue until revised or revoked in writing. Contributions to MEPAC are not deductible for federal tax purposes. Please do not forward this email communication.

MEPAC COMMUNICATIONS

Sample Invitation to New Hire Meetings Send 2-3 weeks within after letter from Chairman/Treasurer.

(Note – Coordinate with MEPAC Manager and MEPAC Admin and always CC on communication).

Dear (Employee Name):

Recently, you received a welcome letter from Mike Henderson, Vice President, Resource Plays North, about the effort to increase employee awareness, understanding and participation in Marathon Oil Company's Employees Political Action Committee (MEPAC). Mike also serves as the chairman and treasurer of MEPAC.

MEPAC is a voluntary, nonpartisan political contribution fund dedicated to supporting state and federal pro-business candidates who share our views on public policies that may affect Marathon Oil and each of us as employees. MEPAC is an essential tool to our success. MEPAC is also a good opportunity to network with the executive leadership team, and your new colleagues.

As a MEPAC [Board Member/Ambassador] for our [asset/department], I would like to invite you to a brief meeting on **[DATE]** at **[TIME]** in **[LOCATION]** to learn about MEPAC's role in helping us reach our business goals.

[Name of Government Affairs Rep or other MEPAC team member] will be joining us to share [his/her] views on the positive benefits of MEPAC. We both look forward to meeting with you to answer any questions that you may have about MEPAC.

Our elected officials make decisions on legislation that affect the Company – with or without our participation in the process. As active players in the political discussion, we stand a better chance of having our views heard on the issues that affect us. That is why your attendance at this meeting and support of MEPAC is so important.

I hope you will take full advantage of this opportunity to increase your political involvement through Marathon Oil's political action efforts.

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**Sample Follow-up Letter to Attendees of Small Group Meetings (Send by e-mail)
Send 2-3 days after meeting.
(Note – Coordinate with MEPAC Manager and MEPAC Admin and always CC on communication).**

Dear (Employee Name):

Thank you for attending our recent meeting on the importance of employee participation in Marathon Oil Company Employees Political Action Committee (MEPAC).

As I mentioned in the meeting, MEPAC is Marathon Oil's only way to help elect qualified state and federal candidates to public office. Employee contributions to MEPAC allow us to play a meaningful role in the political process, as private citizens and as a corporation.

If you have not yet made your decision about participation in MEPAC, I urge you to visit the [MEPAC website](#) for additional information on how to join.

Political decisions are made every day that affect our lives and our Company. It is up to us to be involved in the decision-making process to protect the interests we share with Marathon Oil.

If you have any additional questions regarding MEPAC, please do not hesitate to contact me.

Thank you for your support!

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Sample Letter to Assigned Employees Who Did Not Attend a Meeting

(Send via email) 2-3 days after original meeting.

(Note – Coordinate with MEPAC Manager and MEPAC Admin and always CC on communication).

Dear (Employee Name):

Recently, you were invited to a meeting to discuss the importance of participating in MEPAC, our Company's political action committee. As your MEPAC Ambassador, I'm sorry you were not able to attend.

MEPAC is a voluntary, nonpartisan political contribution fund dedicated to supporting state and federal pro-business candidates who share our views on public policies that may affect Marathon Oil and each of us as employees. MEPAC is an essential tool to our success. MEPAC is also a good opportunity to network with the executive leadership team, and your new colleagues.

MEPAC's focus is on candidates and elected officials whose voting record and position on key issues indicate they advocate public policy in the best interest of Marathon Oil and our industry. All contributions made to MEPAC go directly to support candidates helping to build relationships and then educate them on the issues affecting our industry and company.

Please join me and your colleagues at Marathon Oil in supporting MEPAC by going to the [MEPAC website](#) to enroll today. Together, we can make a difference in the political process and ensure that our voice is heard.

If you have any additional questions regarding MEPAC, please do not hesitate to contact me.

Marathon Oil Company Employees Political Action Committee (MEPAC) is a voluntary political fund. You have the right to refuse to contribute to MEPAC without any reprisal. Any suggested amount of your contribution is only a suggestion and you are free to give more or less than any suggested amount. The amount of your contribution, or the refusal to contribute, will not benefit or disadvantage any employee. Contributions through payroll deduction will continue until revised or revoked in writing. Contributions to MEPAC are not deductible for federal tax purposes. Please do not forward this email communication.

Suggested Agenda and Format for New Hire Meetings

The following agenda is suggested as a guideline for arranging your solicitation meetings and determining who will participate.

of Minutes

- | | |
|-------|---|
| 2-3 | Introductory Remarks
(MEPAC Board Member/Ambassador) |
| 10-12 | Solicitation Remarks with PowerPoint Slides
(MEPAC Board Member/Ambassador and Govt. Affairs reps) |
| 5 | Questions and Answers |
| 1-2 | Closing Comments/The Ask
(MEPAC Board Member/Ambassador) |

Draft Remarks for Board Member/Ambassador at New Hire Meetings

- Thank you for attending this meeting on MEPAC, our Company's political action committee. This is part of a Company-wide effort to educate Marathon Oil employees about MEPAC and its importance to the success of the company.
- I suspect that many of you in this room may not be interested, or are uncomfortable speaking about politics – and wonder why this is so important.
- Let me tell you why I'm here – I'm here because I know that government decisions affect Marathon Oil and our employees. And, that interests and concerns me.
- Energy related issues are always on the agenda at the Federal and State levels. And, we must continually deal with issues such taxes, [speak with our Government Affairs rep to pull in issues that are impacting your operations]
- Depending on what our lawmakers decide to do, these issues can either benefit us greatly or severely limit us as an industry. This is a reality.
- Like it or not, our lawmakers have the power to impact our business, and political decisions do affect us. Elections matter – because they give us the opportunity to choose people who will make the best decisions for us. That's why we have MEPAC and that's why it makes sense for all of us to get involved and learn all we can.
- Whether you are interested in politics or not, I ask you to listen with an open mind. Your participation is voluntary, but Marathon Oil's compliance with state and federal laws and regulations is not. That's why I urge you to get the facts, ask questions, and then consider making the decision to support MEPAC in helping our Company meet the political challenges that lie ahead.
- And remember, if you contribute \$200 or more annually, your contribution is matched, dollar-for-dollar, to an eligible non-profit organization of your choice.
- Also, if you give at the President's Circle level, which is contributing at the recommended giving levels, you'll be invited to additional events with the executive leadership team and outside speakers.
- Again, MEPAC is a voluntary political fund. You have the right to refuse to contribute to MEPAC without any reprisal.
- Any suggested amount of your contribution is only a suggestion and you are free to give more or less than any suggested amount. The amount of your contribution, or the refusal to contribute, will not benefit or disadvantage any employee. Contributions through payroll deduction will continue until revised or revoked in writing. Contributions to MEPAC are not deductible for federal tax purposes.

MEPAC Campaign Evaluation Report

MEPAC Board/Ambassador to submit report to Kathy Sauve.

MEPAC Board/Ambassador: _____

Location: _____

Date: _____

How many people were you assigned to meet with? _____

1. How many people did you meet with? _____
2. Did you send a follow-up communication to each of the employees with whom you were assigned to meet? ☐ Yes ☐ No

We appreciate your willingness to serve as a MEPAC Board Member/Ambassador and value your opinion. Please let us know any other thoughts or suggestions you may have to make MEPAC more effective.

Please return by email to:
kasauve@marathonoil.com