

MARATHON OIL CORP
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March 06, 2006

Table of Contents

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

Marathon Oil Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

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Table of Contents

**Notice of Annual Meeting
of Stockholders and Proxy Statement**

2006

**Wednesday, April 26, 2006
10:00 A.M. Central Time**

Conference Center Auditorium
Marathon Oil Tower
5555 San Felipe Road
Houston, Texas 77056

Please vote promptly either by:

telephone,
the Internet, or
marking, signing and returning your proxy or voting instruction card.

Table of Contents

Marathon Oil Corporation
5555 San Felipe Road
Houston, TX 77056

Clarence P. Cazalot, Jr.
President and Chief Executive Officer

March 6, 2006

Dear Marathon Stockholder,

On behalf of your board of directors and management, you are cordially invited to attend our 2006 annual meeting of stockholders to be held in the Conference Center Auditorium of the Marathon Oil Tower, 5555 San Felipe Road, Houston, Texas, on Wednesday, April 26, 2006 at 10:00 a.m. Central Time.

If your shares are held of record with National City Bank, our transfer agent and registrar, we have enclosed a proxy card for your use. You may vote these shares by completing and returning the proxy card, or alternatively, calling a toll-free telephone number or using the Internet as described on the proxy card. If your shares are held by a broker or other nominee (i.e., in street name), enclosed is a voting instruction card, which you should use to vote those shares. You also have the option of voting by mail, or through the use of the telephone or Internet.

You will find information regarding the matters to be voted on at the meeting in the enclosed proxy statement. Our 2005 Annual Report to stockholders is also enclosed with these materials.

Your vote is important. We hope you will vote either by telephone, over the Internet or by marking, signing and returning your proxy or voting instruction card as soon as possible, whether or not you plan to attend the meeting.

Sincerely,

Table of Contents

<u>Notice of Annual Meeting of Stockholders</u>	4
<u>Proxy Statement</u>	5
<u>Questions and Answers</u>	5
<u>The Board of Directors and Governance Matters</u>	7
<u>Compensation of Directors</u>	14
<u>Proposals of the Board</u>	
<u>Proposal No. 1</u>	
<u>Election of Directors</u>	16
<u>Nominees for Director</u>	17
<u>Continuing Directors</u>	18
<u>Proposal No. 2</u>	
<u>Ratification of Independent Auditors for 2006</u>	20
<u>Proposal No. 3</u>	
<u>Amend the Restated Certificate of Incorporation to Declassify the</u>	
<u>Board of Directors</u>	21
<u>Proposal No. 4</u>	
<u>Amend the Restated Certificate of Incorporation to Revise the Purpose Clause, Eliminate the</u>	
<u>Series A Junior Preferred Stock and Make Other Technical Changes</u>	23
<u>Proposals of Stockholders</u>	
<u>Proposal No. 5</u>	
<u>Election of Directors By a Majority Vote</u>	25
<u>Proposal No. 6</u>	
<u>Simple Majority Vote of Stockholders</u>	27
<u>Audit Committee Report</u>	30
<u>Information Regarding the Independent Registered Public Accounting Firm's Fees, Services and</u>	
<u>Independence</u>	31
<u>Security Ownership of Certain Beneficial Owners</u>	32
<u>Security Ownership of Directors and Executive Officers</u>	33
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	34
<u>Executive Compensation and Other Information</u>	35
<u>Compensation Committee Report on Executive Compensation</u>	40
<u>Stockholder Return Performance Presentation</u>	47
<u>Certain Relationships and Related Party Transactions</u>	48
<u>Pension Benefits</u>	49
<u>Change in Control Arrangements and Employment Contracts</u>	51

APPENDIX I Audit Committee Policy for Pre-Approval of Audit,
Audit-Related, Tax and Permissible Non-Audit Services

Table of Contents

Notice of Annual Meeting of Stockholders

on April 26, 2006

We will hold our 2006 annual meeting of stockholders in the Conference Center Auditorium of the Marathon Oil Tower, 5555 San Felipe Road, Houston, Texas 77056 on Wednesday, April 26, 2006 at 10:00 a.m. Central Time, in order to:

elect three Class I directors;

ratify the appointment of PricewaterhouseCoopers LLP as our independent auditors for 2006;

consider a proposal of the Board to amend the Restated Certificate of Incorporation to declassify the Board of Directors;

consider a proposal of the Board to amend the Restated Certificate of Incorporation to revise the purpose clause, eliminate the Series A Junior Preferred Stock and make other technical changes;

consider a stockholder proposal to elect directors by a majority vote, if properly presented for action at the meeting;

consider a stockholder proposal to adopt a simple majority vote of stockholders, if properly presented for action at the meeting; and

transact any other business that properly comes before the meeting.

You are entitled to vote at the meeting if you were an owner of record of Marathon Oil Corporation common stock at the close of business on February 27, 2006. If your ownership is through a broker or other intermediary, you will need to have proof of your stockholdings in order to be admitted to the meeting. A recent account statement, letter or proxy from your broker or other intermediary will suffice.

We have enclosed a copy of the Company's 2005 Annual Report to stockholders with this notice and proxy statement.

By order of the Board of Directors,

William F. Schwind, Jr.
Secretary

Dated: March 6, 2006

Marathon Oil Corporation
5555 San Felipe Road
Houston, TX 77056

Table of Contents

Proxy Statement

We have sent you this proxy statement because the Board of Directors is asking you to give your proxy (that is, the authority to vote your shares) to our proxy committee so they may vote your shares on your behalf at our annual meeting of stockholders. The members of the proxy committee are Thomas J. Usher, Clarence P. Cazalot, Jr. and Janet F. Clark. They will vote your shares as you instruct.

We will hold the meeting on April 26, 2006 in the Conference Center Auditorium of the Marathon Oil Tower, 5555 San Felipe Road, Houston, Texas. The proxy statement contains information about the matters being voted on and other information that may be helpful to you.

We began the mailing of the proxy statement, the proxy card and the 2005 Annual Report on or about March 14, 2006.

Questions and Answers

n Who may vote?

You may vote if you were a holder of Marathon Oil Corporation (Marathon or the Company) common stock at the close of business on February 27, 2006, which is the record date of the meeting. Each share of common stock is entitled to one vote.

n What may I vote on?

You may vote on:

- the election of three nominees to serve as Class I directors;
- the ratification of PricewaterhouseCoopers LLP as our independent auditors for 2006;
- a proposal to amend the Restated Certificate of Incorporation to declassify the Board of Directors;
- a proposal to amend the Restated Certificate of Incorporation to revise the purpose clause, eliminate the Series A Junior Preferred Stock and make other technical changes;
- a stockholder proposal to elect directors by a majority vote; and
- a stockholder proposal to adopt a simple majority vote of stockholders.

n How does the Board recommend I vote?

The Board recommends that you vote:

- FOR** each of the nominees for director;
- FOR** the ratification of PricewaterhouseCoopers LLP as independent auditors for 2006;
- FOR** the proposal to amend the Restated Certificate of Incorporation to declassify the Board of Directors;

FOR the proposal to amend the Restated Certificate of Incorporation to revise the purpose clause, eliminate the Series A Junior Preferred Stock and make other technical changes;
AGAINST the stockholder proposal to elect directors by a majority vote; and
AGAINST the stockholder proposal to adopt a simple majority vote of stockholders.

n How do I vote?

You may vote by telephone or over the Internet by following the instructions on the enclosed proxy card (or, if you own your shares through a broker or other intermediary, on the enclosed voting instruction card). You may also vote by marking, signing and dating the enclosed proxy card or voting instruction card, and returning it in the prepaid envelope. The proxy committee will vote your shares in accordance with your directions. If you return a proxy card but do not mark the boxes showing how you wish to vote, the proxy committee will vote your shares in accordance with the Board's recommendation on each proposal, but only if you have signed and dated the card. Unsigned proxy cards will not be voted at all. If you are a stockholder of record (that is, if you are registered on the books of our transfer agent), you may also vote in person by attending the meeting.

Table of Contents

n May I change my vote?

If you are a stockholder of record, you may change your vote or revoke your proxy at any time before your shares are voted at the meeting by:

- voting again by telephone or over the Internet;
- sending us a proxy card dated later than your last vote;
- notifying the Secretary of Marathon in writing; or
- voting at the meeting.

n How many outstanding shares are there?

At the close of business on February 27, 2006, which is the record date for the meeting, there were 366,647,383 shares of Marathon common stock outstanding.

n How big a vote do the proposals need in order to be approved?

Directors are elected by a plurality of the votes of the shares present in person at the meeting and those represented by proxy and entitled to vote; that is, those receiving the most votes are elected, even if they receive less than a majority. Each of the proposed amendments to the Restated Certificate of Incorporation will be approved if it receives the vote of a majority of the shares of common stock outstanding and entitled to vote. Each of the other proposals will be approved if it receives a majority of the votes of the shares present in person at the meeting and those represented by proxy and entitled to vote. Abstentions are counted as votes present and entitled to vote and have the same effect as votes against a proposal. Broker non-votes are not counted as either votes for or votes against a proposal. Both abstentions and broker non-votes are counted in determining that a quorum is present for the meeting.

n What are broker non-votes?

The New York Stock Exchange permits brokers to vote their customers' shares on routine matters when the brokers have not received voting instructions from their customers. The election of directors, the ratification of independent auditors, and the proposals of the Board to amend the Restated Certificate of Incorporation are examples of routine matters on which brokers may vote in this way. Brokers may not vote their customers' shares on non-routine matters such as the two stockholder proposals, unless they have received voting instructions from their customers. Non-voted shares on non-routine matters are broker non-votes.

n What constitutes a quorum?

Under our by-laws, a quorum is one-third of the voting power of the outstanding shares of stock entitled to vote.

n Will my vote be confidential?

All voting records which identify stockholders are kept permanently confidential except as necessary to meet legal requirements and in other limited circumstances such as proxy contests. The vote tabulators and the inspector of elections are required to execute confidentiality agreements.

n How will voting be conducted on other matters raised at the meeting?

If any matters are presented at the meeting other than the proposals on the proxy card, the proxy committee will vote on them using their best judgment. Your signed proxy card, or your telephone or Internet vote, gives them the authority to do this. Under our by-laws, notice of any matter to be presented by a stockholder for a vote at the meeting must have been received by our corporate Secretary on or after January 1, 2006 and no later than January 31, 2006, and it must have been accompanied by certain information about the stockholder presenting it. We have not received notice of any matter to be presented other than those on the proxy card.

n When must stockholder proposals be submitted for the 2007 annual meeting?

Stockholder proposals submitted for inclusion in our 2007 proxy statement must be received in writing by our corporate Secretary no later than the close of business on November 14, 2006. Stockholder proposals submitted outside the process for inclusion in the proxy statement must be received from stockholders of record on or after December 28, 2006 and no later than January 28, 2007 and must be accompanied by certain information about the stockholders making the proposals, in accordance with our by-laws.

Table of Contents**The Board of Directors and Governance Matters**

Under our by-laws and the laws of Delaware, Marathon's state of incorporation, the business and affairs of Marathon are managed under the direction of the Board of Directors. The Board met seven times in 2005. Their attendance averaged approximately 97 percent. Under our Corporate Governance Principles, directors are expected to attend the annual meeting of stockholders, and in 2005 all of our directors attended the meeting.

With respect to a lead or presiding director, the chairman of the Board presides at all meetings of stockholders and of the Board of Directors. In circumstances where the outside directors meet without the chairman or in circumstances where the chairman is unavailable, the chairman of the Corporate Governance and Nominating Committee presides at any such meeting, unless the Board determines that another director should lead the discussion due to the particular subject matter being discussed.

The Board has four principal committees, all the members of which are independent, non-employee directors. These committees are described on this and the following pages. The table below shows the current committee memberships of each director and the number of meetings that each corresponding committee held in 2005.

Board Committee Memberships	Director	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Committee on Financial Policy
	Charles F. Bolden, Jr.	X		X	X
	David A. Daberko	X		X	X*
	William L. Davis	X	X		X
	Shirley Ann Jackson	X*	X	X	
	Philip Lader		X	X	X
	Charles R. Lee	X		X	X
	Dennis H. Reilly	X	X	X*	
	Seth E. Schofield		X	X	X
	Douglas C. Yearley	X	X*		X
		5	4	4	4

Number of
Meetings in
2005 of
Corresponding
Committee

* Chair

Table of Contents

**Board and
Committee
Independence**

The principal committee structure of the Board includes audit, compensation, corporate governance and nominating, and financial policy. These committees are comprised entirely of independent directors.

In determining independence, the Board affirmatively determines whether directors have no material relationship with the Company. When assessing materiality, the Board considers all relevant facts and circumstances including, without limitation, transactions between the Company and the director directly or organizations with which the director is affiliated, and the frequency and dollar amounts associated with these transactions. The Board further considers whether the transactions were at arm's length in the ordinary course of business and whether the transactions were consummated on terms and conditions similar to those of unrelated parties. In addition, the Board uses the following categorical standards to determine director independence: (1) not being a present or former employee, or having an immediate family member as an executive officer, of the Company within the past three years; (2) not personally receiving, or having an immediate family member receive, any direct compensation from the Company in excess of \$100,000 during any twelve-month period within the last three years, other than compensation for board or committee service, pension or other forms of deferred compensation for prior service, or compensation paid to an immediate family member who is a non-executive employee of the Company; (3) with respect to the Company's external auditor, (a) not being engaged, or having an immediate family member engaged, as a current partner by the Company's external auditor, (b) not being a current employee of the Company's external auditor, (c) not having an immediate family member who is a current employee of the Company's external auditor and who participates in such firm's audit, assurance or tax compliance (but not tax planning) practice, or (d) not being engaged or employed or having an immediate family member engaged or employed, within the past three years (but is no longer) a partner or employee of such firm and personally worked on the Company's audit within that time; (4) not being employed, or having an immediate family member employed, within the past three years as an executive officer of another company where now or at any time during the past three years any of the Company's present executive officers serve or served on the other company's compensation committee; (5) not being a current employee, or having an immediate family member who is a current executive officer, of a company that makes or made payments to, or receives or received payments from, the Company for property or services in an amount which, in any of the three preceding fiscal years, exceeded the greater of \$1 million, or 2% of the other company's consolidated gross revenues; and (6) not being an executive officer of a tax-exempt organization of which the Company has within the three preceding fiscal years made any contributions to that organization in any single fiscal year that exceeded the greater of \$1 million, or 2% of the tax-exempt organization's consolidated gross revenues.

Applying these categorical standards, the Board determined that the following directors qualify as independent: Charles F. Bolden, Jr.; David A. Daberko; William L. Davis; Shirley Ann Jackson; Philip Lader; Charles R. Lee; Dennis H. Reilley; Seth E. Schofield; Thomas J. Usher; and Douglas C. Yearley.

Table of Contents

**Audit
Committee**

The Audit Committee has a written charter adopted by the Board, which is available on the Company's website at <http://www.marathon.com/AuditCommitteeCharter/>. The charter requires the committee to reassess and report to the Board on the adequacy of the charter on an annual basis, which the committee did in 2005. All the members of the Audit Committee are independent (as independence is defined in Exchange Act Rule 10A-3, as well as the general independence requirements of NYSE Rule 303A.02).

This committee is, among other things, responsible for:

appointing, replacing, compensating and overseeing the work of the independent auditor;

reviewing the fees proposed by the independent auditor for the coming year and approving in advance all audit, audit-related, tax and permissible non-audit services to be performed by the independent auditor;

separately meeting with the independent auditors, the internal auditors and management with respect to the status and results of their activities;

reviewing with the chief executive officer, the chief financial officer, and the general counsel the Company's disclosure controls and procedures and management's conclusions about the efficacy of such disclosure controls and procedures;

reviewing, approving and discussing with management and the independent auditors the annual and quarterly financial statements, the annual report to stockholders, and the Form 10-K;

reviewing earnings press releases, as well as financial information and earnings guidance issued publicly or provided to analysts and rating agencies;

discussing with management guidelines and policies to govern the process by which risk assessment and management is undertaken by the Company; and

completing an annual performance evaluation of this committee.

The Audit Committee has the authority to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company, and to retain outside legal, accounting or other consultants.

Audit Committee Policy for Pre-Approval of Audit, Audit-Related, Tax and Permissible Non-Audit Services

Effective January 1, 2003, the Audit Committee adopted the Audit Committee Policy for Pre-Approval of Audit, Audit-Related, Tax and Permissible Non-Audit Services. This policy is attached as Appendix I to this proxy statement and is also available on the Company's website at http://www.marathon.com/PolicyPreAppAudit_Tax_NonAudit/. Among other things, this policy sets forth the procedure for the committee to pre-approve all audit, audit-related, tax and permissible non-audit services, other than as provided under the de minimus exception. Notwithstanding the de minimus exception, it is the intent of the committee that standard practice will be to pre-approve all permissible non-audit services. The committee delegated pre-approval authority of up to \$500,000 to the Audit Committee Chair for unbudgeted items.

Audit Committee Financial Expert

Based on the attributes, education and experience requirements set forth in Section 407 of the Sarbanes-Oxley Act of 2002 and associated regulations, the Board of Directors has determined that David A. Daberko, Charles R. Lee, and Dennis H. Reilley each qualify as an Audit Committee Financial Expert.

Table of Contents

Mr. Daberko is currently the Chairman of the Board and Chief Executive Officer of National City Corporation. In addition to certifying the effectiveness of internal controls and procedures required by his position as CEO, Mr. Daberko's previous positions with National City required him to oversee internal accounting controls and set internal control policy. As head of bank investments, he was responsible for overseeing accounting for that area. Mr. Daberko holds a MBA in finance from Case Western Reserve University.

Mr. Lee held positions as Senior Vice President-Finance for Penn Central Corp. and Columbia Pictures Industries Inc., and Senior Vice President of Finance with GTE Corporation. He received a MBA with distinction from the Harvard Graduate School of Business Administration.

Mr. Reilley is the Chairman, President and Chief Executive Officer of Praxair, Inc. In addition to certifying the effectiveness of internal controls and procedures required by his position as CEO, Mr. Reilley's experience included serving as former chair of Entergy Corporation's audit committee. He holds a Bachelor of Science in finance from Oklahoma State University.

Guidelines for Hiring of Employees or Former Employees of the Independent Auditor

The Audit Committee adopted guidelines for hiring of employees or former employees of the independent auditor. In summary, these guidelines provide that the Company shall not hire any employee or former employee of its independent auditor for a position in a financial reporting oversight role if such employee or former employee was the lead or concurring partner, or any other member of the audit engagement team who provides more than ten hours of audit, review or attest services during the one-year period preceding the date of the initiation of the audit. A complete set of these guidelines is available on the Company's website at http://www.marathon.com/Guide_Hire_Employees_Indep_Auditor/.

Policy for Whistleblowing Procedures

Effective August 1, 2003, the Audit Committee adopted and approved the Company's Policy for Whistleblowing Procedures. This policy establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Policy for Whistleblowing Procedures is available on the Company's website at http://www.marathon.com/Policy_Whistleblowing_Procedures/.

**Compensation
Committee**

The Compensation Committee is composed solely of directors who satisfy all criteria for independence under applicable law and the rules of the New York Stock Exchange and who, in the opinion of the Board, are free of any relationship that would interfere with their exercise of independent judgment as members of the committee.

This committee is, among other things, responsible for:

- making recommendations to the Board and to the boards of subsidiaries on all matters of policy and procedures relating to executive compensation;

- reviewing and approving corporate goals and objectives relevant to the chief executive officer's compensation, and determining and approving the chief executive officer's compensation level

based on the Board's performance evaluation of the chief executive officer;

Table of Contents

determining and approving the compensation of the other executive officers, and reviewing the succession plan relating to positions held by the other executive officers;

recommending to the Board and administering the incentive compensation plans and equity-based plans of the Company;

confirming the achievement of performance levels under the Company's incentive compensation plans; and

evaluating its performance on an annual basis.

The Charter of the Compensation Committee is available on the Company's website at http://www.marathon.com/Charter_Comp_Committee/.

**Corporate
Governance and
Nominating
Committee**

The Corporate Governance and Nominating Committee is composed solely of independent directors in accordance with the rules of the New York Stock Exchange. The committee's primary purpose is to discharge the Board's responsibility related to public policy matters, the development and implementation of a set of corporate governance principles, the identification of individuals qualified to become board members, and the review of the qualifications and make-up of the Board membership.

The committee is, among other things, responsible for:

reviewing and making recommendations to the Board concerning the appropriate size and composition of the Board, including candidates for election or re-election as directors, the criteria to be used for the selection of candidates for election as directors, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board, the composition and functions of the Board committees, and all matters relating to the development and effective functioning of the Board;

considering and recruiting candidates to fill positions on the Board;

considering nominees recommended by stockholders for election as directors;

reviewing and making recommendations to the Board of each Board committee's membership and committee chairpersons including, without limitation, a determination of whether one or more Audit Committee members qualifies as an audit committee financial expert in accordance with applicable law;

assessing and recommending overall corporate governance practices;

establishing the process and overseeing the evaluation of the Board;

reviewing public issues identified by management and the Company's efforts in addressing these public issues through research, analysis, lobbying efforts and participation in business and government programs;

reviewing and approving codes of conduct applicable to directors, officers and employees;

reviewing the Company's policy statement on stockholders' rights plans and reporting any recommendations to the Board; and

evaluating its performance on an annual basis.

A current copy of the Corporate Governance and Nominating Committee's Charter is available on the Company's website at http://www.marathon.com/Charter_CorpGovNom_Committee/.

Table of Contents

Director Identification and Selection

The process for director selection and director qualifications is set forth in Article III, Section (a) of the Company's Corporate Governance Principles which are available on the Company's website at [http://www.marathon.com/Corporate Governance Principles/](http://www.marathon.com/Corporate%20Governance%20Principles/). In summary, the chairman of the Corporate Governance and Nominating Committee and the chief executive officer should work with a third party professional search firm to review director candidates and their credentials. At least one member of the committee, the Chairman of the Board, and the Chief Executive Officer should meet with the director candidate. This screening process applies to nominating committee recommended nominees, as well as nominees recommended by the stockholders in accordance with the Company's by-laws. The criteria for selecting new directors include their independence, as defined by applicable law, stock exchange listing standards and the categorical standards listed in the Company's Corporate Governance Principles, their business or professional experience, their integrity and judgment, their records of public service, their ability to devote sufficient time to the affairs of the Company, the diversity of backgrounds and experience they will bring to the Board, and the needs of the Company from time to time. Directors should also be individuals of substantial accomplishment with demonstrated leadership capabilities, and they should represent all stockholders and not any special interest group or constituency. The Committee's Charter also gives the Committee the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms.

Code of Ethics for Senior Financial Officers

Pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and its associated regulations, the Corporate Governance and Nominating Committee approved and adopted a Code of Ethics for Senior Financial Officers which is available on the Company's website at http://www.marathon.com/Code_Ethics_Sr_Finan_Off/. As required, this code applies to the Company's principal executive officer, the principal financial officer, the principal accounting officer or controller, or persons performing similar functions, and mandates that these officers, among other things:

act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

provide full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;

comply with applicable governmental laws, rules and regulations; and

promote the prompt internal reporting of violations of this Code of Ethics to the chair of the Audit Committee of the Board of Directors and to the appropriate person or persons identified in the Company's Code of Business Conduct.

The code further provides that any violation will be subject to appropriate discipline, up to and including dismissal from the Company and prosecution under the law.

Table of Contents

Committee on Financial Policy The Committee on Financial Policy provides oversight with respect to the appropriate capital structure and financial policies of Marathon. Its key responsibility in that role is to make recommendations to the Board concerning dividends. A copy of the current committee charter is available on the Company's website at http://www.marathon.com/Charter_Comm_FinanPolicy/.

The committee is, among other things, responsible for:

approving financings by Marathon (except financings which involve the issuance of common stock), including the recommendation of action to subsidiaries, partnerships and joint ventures;

authorizing loans to outside entities, guarantees by Marathon of the credit of others, and other uses of Marathon credit; and

evaluating its performance on an annual basis and develop criteria for the evaluation.

Corporate Governance Principles The Board of Directors adopted the Company's Corporate Governance Principles, amended and restated as of January 1, 2006. These principles are available on the Company's website at http://www.marathon.com/Corporate_Governance_Principles/. In summary, the Corporate Governance Principles address the general functioning of the Board, including its responsibilities, the Board size, director elections and limits on the number of Board memberships. These principles also address Board independence, committee composition, the lead director position, the process for director selection and director qualifications, the Board's performance review, the Board's planning and oversight functions, director compensation and director retirement and resignation.

Communications from Security Holders Security holders may send communications to the Board through the Secretary of the Company. You may communicate with the Chair of our Audit, Compensation, Corporate Governance and Nominating, and Financial Policy Committees by sending an e-mail to auditchair@marathonoil.com, compchair@marathonoil.com, corpgovchair@marathonoil.com, or finpolicychair@marathonoil.com, respectively. You may communicate with our outside directors, individually or as a group, by sending an e-mail to non-managedirectors@marathonoil.com.

The Secretary will forward to the directors all communications that, in his or her judgment, are appropriate for consideration by the directors. Examples of communications that would not be considered appropriate for consideration by the directors include commercial solicitations and matters not relevant to the security holders, to the functioning of the Board, or to the affairs of the Company.

Availability of Governance Documents Stockholders may obtain a print copy of the Company's corporate governance documents, including the Corporate Governance Principles, committee charters, and code of business conduct, by contacting our Investor Relations office.

Table of Contents**Compensation of Directors**

Our by-laws require that each non-employee director be paid compensation and attendance fees as the Board may from time to time determine. Directors who are employees of Marathon receive no compensation for their service on the Board.

2005 Director Compensation

In 2005, we paid our non-employee directors as follows:

Annual Retainer	\$60,000
Annual Non-Retainer Common Stock Unit Award	\$60,000
Committee Membership Fee	\$ 5,000
	(\$10,000 for audit committee chair)
	(\$ 6,000 for other committee chairs)
Meeting Fee (for Board or committee meeting attendance)	\$ 2,000

In addition to the annual retainer, we also paid our Chairman of the Board, Mr. Usher, a chairman's fee of \$240,000 in 2005. The chairman does not receive meeting fees for his attendance.

As already reported in the 2005 Proxy Statement, a cash payment of \$6,313,000 was made to Mr. Usher in February 2005 due to the exercise of stock appreciation rights previously granted to him in connection with the separation of the businesses of the U.S. Steel Group and Marathon Group and his agreement to serve as Chairman, Chief Executive Officer and President of United States Steel Corporation, Chairman of the Board of Directors of Marathon, and Chairman of the Board of Managers of Marathon Ashland Petroleum LLC.

Under our Deferred Compensation Plan for Non-Employee Directors, in 2005 non-employee directors were required to defer half of their annual retainer in the form of unfunded common stock units. When dividends are paid on Marathon's common stock, directors receive dividend equivalents in the form of additional common stock units. Upon a director's departure from the Board, his or her common stock units are issued as actual shares of common stock.

Directors had the opportunity to defer the remaining portion of their annual retainer in an unfunded account. This deferred account may be invested in certain phantom investment options offered under the plan, which mirror the investment options offered to employees under the Marathon Oil Company Thrift Plan with the exception of the Marathon common stock fund. When a director leaves the Board, he or she receives the deferred cash either in a lump sum or in installments.

Non-employee directors, other than the Chairman, also received an annual common stock unit award in 2005 valued at \$60,000. The award was credited to an unfunded account based on the stock price on the grant date. Award recipients also receive dividend payments in the same manner as the holders of deferred stock unit awards described above. The awards are payable in

shares of common stock upon the director's departure from the Board.

In 2004, the Board of Directors established stock ownership guidelines for non-employee directors of five times the annual retainer fee of \$60,000 to be achieved by January 1, 2009.

Table of Contents**2006 Director Compensation**

In 2005, the Corporate Governance and Nominating Committee commissioned an independent compensation consulting firm to conduct the annual review of competitive director compensation. Based on this review and the increasing demands on corporate board members, the Board approved a reallocation of the elements of director pay to place a heavier emphasis on equity and an increase in overall total compensation.

Accordingly in 2006, we will pay our non-employee directors the following:

Annual Retainer	\$ 50,000
Annual Non-Retainer Common Stock Unit Award	\$125,000
Committee Membership Fee	\$ 0
Committee Chair Retainer	\$ 6,000
	\$ 12,250 for audit committee chair
Meeting Fee (for Board or committee meeting attendance)	\$ 2,000

As a result of a lower annual retainer, the chairman's fee was increased to \$250,000 in order to maintain a total compensation package of \$300,000. The chairman does not receive meeting fees for attendance.

The requirement to defer 50 percent of the annual retainer, under the Deferred Compensation Plan for Non-Employee Directors, has been discontinued due to the granting of the annual non-retainer common stock unit award. Directors now have the opportunity to defer 100 percent of their annual retainer into an unfunded account as described above.

Table of Contents

Proposals of the Board

The Board will present the following proposals at the meeting:

Proposal No. 1

Election of Directors

Marathon's Restated Certificate of Incorporation divides the directors into three classes: Class I, Class II and Class III. Each class must consist, as nearly as possible, of one-third of the directors. Once elected, directors serve for a term of three years and until their successors are duly elected and qualified. At each annual meeting, directors who are elected to succeed directors whose terms have expired are identified as being of the same class as those they succeed. A director elected to fill a vacancy is elected to the same class as the director he or she succeeds, and a director elected to fill a newly created directorship holds office until the next election of the class to which he or she is elected.

Our by-laws require the Board to fix the number of directors, and under our Corporate Governance Principles, the Board is charged with endeavoring to maintain between ten and fourteen members. The current three Class I directors are nominees for election this year for a three-year term that will expire at the 2009 annual meeting. All directors have previously been elected by the stockholders. Of the eleven current directors, one is an officer of Marathon, seven have top executive experience with a wide variety of businesses, one has a distinguished career in academia, business and government, one has a distinguished career as an international business leader and diplomat, and one has a distinguished career with the military and the National Aeronautics and Space Administration. A brief statement about the background of each nominee and each continuing director is given on the following pages. If any nominee for whom you have voted becomes unable to serve, your proxy may be voted for another person designated by the Board.

Our by-laws describe the procedures that must be used in order for someone nominated by a stockholder of record to be eligible for election as a director. They require that notice be received by the Secretary at least 45 days, but not more than 75 days, before the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting of stockholders. The notice must contain certain information about the nominee, including his or her age, address, occupation and share ownership, as well as the name, address and share ownership of the stockholder giving the notice.

Table of Contents**Nominees for Class I Directors**

Terms Expire 2009

Clarence P. Cazalot, Jr.	Director since 2000	Age 55
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President and Chief Executive Officer, Marathon Oil Corporation

Mr. Cazalot graduated from Louisiana State University in 1972 with a BS degree in geology, and joined Texaco Inc. that same year as a geophysicist. After holding a number of increasingly responsible management positions, Mr. Cazalot was elected a Vice President of Texaco Inc. and President of Texaco's Latin America/West Africa Division in 1992. In 1994, he was named President of Texaco Exploration and Production Inc. Mr. Cazalot was appointed President of Texaco International Marketing and Manufacturing in 1997, and in 1998 he was named President- International Production and Chairman of London-based Texaco Ltd. He was elected President of Texaco's worldwide production operations in 1999. Mr. Cazalot joined USX Corporation as Vice Chairman and Marathon Oil Company as President in March 2000. Effective upon the separation of USX's steel and energy businesses on January 1, 2002, Mr. Cazalot was named President and Chief Executive Officer of Marathon Oil Corporation. Mr. Cazalot serves on the Boards of Directors of Baker Hughes Incorporated, the US-Saudi Arabian Business Council, the American Petroleum Institute and the Greater Houston Partnership.

David A. Daberko	Director since 2002	Age 60
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Chairman of the Board and Chief Executive Officer, National City Corporation

Mr. Daberko graduated from Denison University with a BA and from Case Western Reserve University with an MBA. He joined National City Bank in 1968 as a management trainee and held a number of management positions within the company. In 1985, he led the assimilation of the former BancOhio National Bank into National City Bank, Columbus. In 1987, Mr. Daberko was elected Deputy Chairman of the corporation and President of National City Bank in Cleveland. He served as President and Chief Operating Officer from 1993 until 1995 when he was named Chairman and Chief Executive Officer. Mr. Daberko is a director of OMNOVA Solutions, Inc. He is a trustee of Case Western Reserve University, University Hospitals Health System, Hawken School, Greater Cleveland Partnership and the American Bankers Association.

William L. Davis	Director since 2002	Age 62
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Retired Chairman, President and Chief Executive Officer, R.R. Donnelley & Sons Company

Mr. Davis graduated from Princeton University in 1965 with a BA degree.

From 1977 through 1997 he held a variety of positions with Emerson Electric Company, including the position of President of two of its subsidiaries, Appleton Electric Company and Skil Corporation, and Senior Executive Vice President for